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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART 2 (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006 AND DETAILS OF A PROPOSED ACQUISITION WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE ADMISSION TO TRADING OF CONDOR GOLD SHARES ON AIM AND DELISTING OF CONDOR GOLD SHARES FROM THE TORONTO STOCK EXCHANGE.**

**If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant, or other appropriate 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 in a territory outside the United Kingdom.**

If you sell, have sold or otherwise transferred all of your Condor Gold Shares, please send this Document, together with the accompanying documents (but not the personalised Forms of Proxy) at once, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred part only of your holding of Condor Gold Shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. The accompanying Forms of Proxy are personalised. If you have recently purchased or been transferred Condor Gold Shares, you should contact Condor Gold's registrars, Computershare Investor Services PLC, by telephoning the helpline, details of which are set out on page 10 of this Document, to obtain personalised Forms of Proxy.

The release, publication or distribution of this Document and/or the accompanying documents (in whole or in part), directly or indirectly in or into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

**Neither this Document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This Document is not a prospectus or prospectus equivalent document.**

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**RECOMMENDED OFFER**

for

**CONDOR GOLD PLC**

*(registered in England and Wales with company registration number 05587987)*

by

**METALS EXPLORATION PLC**

*(registered in England and Wales with company registration number 05098945)*

**to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

and

**Notices of Court Meeting and General Meeting**

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This Document and its publication has not been approved by any regulatory authority.

This Document (including any documents incorporated into it by reference), together with the accompanying Forms of Proxy, should be read as a whole. Your attention is drawn to the letter from the Non-Executive Chairman of Condor Gold in Part 1 (*Letter from the Chair of Condor Gold*) of this Document, which contains the unanimous recommendation of the Condor Gold Directors that you vote in favour of the Scheme at the Court Meeting and the special resolution to be proposed at the General Meeting. A letter from Hannam

explaining the Scheme appears in Part 2 (*Explanatory Statement*) of this Document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.

Notices of the Court Meeting and the General Meeting of Condor Gold, each of which will be held at the offices of Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 6 January 2025, are set out in Part 11 (*Notice of Court Meeting*) and Part 12 (*Notice of General Meeting*) of this Document. The Court Meeting will start at 10.00 a.m. (London time) on that date and the General Meeting at 10.15 a.m. (London time) or as soon thereafter as the Court Meeting is concluded or adjourned.

Action to be taken by Condor Gold Shareholders is set out in paragraph 19 of Part 2 (*Explanatory Statement*) of this Document. The blue Form of Proxy is to be used in connection with the Court Meeting and the white Form of Proxy is to be used in connection with the General Meeting. Whether or not you intend to attend both or either of the Court Meeting or the General Meeting, Condor Gold Shareholders are asked to complete and return the enclosed blue and white Forms of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Condor Gold's registrar, Computershare Investor Services PLC, not later than 48 hours before the relevant Meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day. As an alternative to completing and returning blue and white Forms of Proxy, proxies may be appointed electronically by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions therein. Full instructions are given on such website. For an electronic proxy appointment to be valid, the appointment must be received by Computershare Investor Services PLC not later than 48 hours (excluding any part of such 48-hour period falling on a day that is not a Business Day) before the time fixed for the Court Meeting or any adjournment thereof. Condor Gold Shareholders who hold Condor Gold Shares in uncertificated form (that is, in CREST) may also appoint a proxy through the CREST electronic proxy appointment service by following the instructions set out on pages 11 and 12 of this Document. If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be handed to the Chair of the Court Meeting or to Condor Gold's registrar, Computershare Investor Services PLC, on behalf of the Chair of the Court Meeting, before the start of the Court Meeting (if attending in person). However, in the case of the General Meeting, if the white Form of Proxy for the General Meeting is not lodged by the relevant time, or not otherwise lodged in accordance with the instructions set out in the white Form of Proxy, it will be invalid.

If you have any questions about this Document, the Court Meeting or the General Meeting, or how to complete the Forms of Proxy, please call the shareholder helpline operated by Computershare Investor Services PLC on [REDACTED] from overseas). Calls to this number are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice nor provide any advice on the merits of the Scheme and calls may be recorded and monitored for security and training purposes.

Certain terms used in this Document are defined in Part 10 (*Definitions*) of this Document.

Beaumont Cornish Limited ("**BCL**"), which is authorised and regulated by the FCA in the United Kingdom, is acting solely for Condor Gold as nominated adviser and Rule 3 Adviser in relation to the matters referred to in this Document and for no one else. BCL will not be responsible to anyone other than Condor Gold for providing the protections afforded to its clients or for providing advice in relation to the contents of this Document or any arrangement referred to herein. BCL has given, and not withdrawn, its consent to the inclusion in this Document of the references to its name and the advice it has given to Condor Gold in the form and context in which they appear. Neither BCL, 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 BCL in connection with this document, any statement contained herein or otherwise. No representation or warranty, express or implied, is made by BCL as to the contents of this document.

Hannam & Partners ("**Hannam**"), which is authorised and regulated by the FCA in the United Kingdom, is acting solely for Condor Gold as Financial Adviser and for no one else in connection with the matters referred to in this Document and will not be responsible to anyone other than Condor Gold for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this Document. Neither Hannam, 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 in connection with this Document, any statement contained herein or otherwise. No representation or warranty, express or implied, is made by Hannam as to the contents of this document.

Strand Hanson Limited ("**Strand**"), which is authorised and regulated in the UK by the FCA, is acting as sole Financial Adviser to Metals Exploration plc ("**MTL**") and no one else in connection with the matters set out in this Document and will not be responsible to anyone other than MTL for providing the protections

afforded to clients of Strand or for providing advice in relation to contents of this Document or any other matters referred to in this Document. Neither Strand nor any of its affiliates (nor any of 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 in connection with this Document, any statement contained herein or otherwise. No representation or warranty, express or implied, is made by Strand as to the contents of this document.

No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been authorised by Condor Gold, the Condor Gold Directors, MTL, the MTL Directors, or by BCL or Hannam or Strand or any other person involved in the Acquisition. Neither the delivery of this Document nor the holding of the Meetings, the Court Hearing or the filing of the Court Order shall, under any circumstances, create any implication that there has been no change in the affairs of the Condor Gold Group or the Wider MTL Group since the date of this Document or that the information in, or incorporated into, this Document is correct as at any time subsequent to its date.

## IMPORTANT INFORMATION

The release, publication or distribution of this Document in or into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Neither this Document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This Document and the accompanying Forms of Proxy have been prepared in accordance with and for the purposes of complying with English law, the rules of the London Stock Exchange, the AIM Rules and the Code, and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside of England and Wales, including without limitation, the United States and Canada.

Unless otherwise determined by MTL or required by the Code, and permitted by applicable law and regulation, the Acquisition 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 form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Document and all formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition.

Statements contained in this Document are not to be construed as legal, business, financial or tax advice.

### Information for US Holders

The Acquisition relates to the securities of an English company and is being made by means of a scheme of arrangement provided for under English company law. 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 Acquisition and the Scheme are subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of US tender offer and proxy solicitation rules including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. If, in the future, MTL exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend such Takeover Offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations.

Financial information included in this Document has been or will be prepared in accordance with international accounting standards as adopted in the United Kingdom and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Securities may not be offered or sold in the United States unless they are registered under the US Securities Act or are exempt from such registration requirements. The New MTL Shares, the CVRs and the Loan Notes to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act but are expected to be issued in reliance on the exemption provided by Section 3(a)(10) thereof. The New MTL Shares, the CVRs and the Loan Notes will not be registered under the securities laws of any state of the United States, and will be issued in the United States pursuant to the Scheme in reliance on available exemptions from such state law registration requirements.

A Condor Gold Shareholder (whether or not a US person or resident) who is an "affiliate" (within the meaning of the US Securities Act) of Condor Gold or MTL prior to or after the Effective Date, will receive "restricted securities" as defined in Rule 144 under the US Securities Act and will be subject to certain US transfer restrictions. Under applicable US federal securities laws, the New MTL Shares, the CVRs and the Loan Notes held by persons who are or will be "affiliates" may not be resold without registration under the US Securities Act, except pursuant to the applicable resale provisions of Rule 144 under the US Securities

Act or another applicable exemption from registration or in a transaction not subject to registration (including a transaction that satisfies the applicable requirements of Regulation S under the US Securities Act). "Affiliates" of a company are generally defined as persons who directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, that company. Whether a person is an affiliate of a company for purposes of the US Securities Act depends on the circumstances, but affiliates can include certain officers, directors and significant shareholders. Persons who believe they may be "affiliates" of either the MTL Group or the Condor Gold Group should consult their own legal advisers before any sale of securities received pursuant to the Scheme.

For the purpose of qualifying for the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) and disapplying the applicable US tender offer rules under Regulation 14E under the US Exchange Act with respect to the Scheme, the Court will be advised that its sanctioning of the Scheme will be relied on by Condor Gold as an approval of the Scheme following a hearing on its fairness to Condor Gold Shareholders, at which hearing all such Condor Gold Shareholders are entitled to attend in person, by authorised representative, by proxy or through counsel, and with respect to which notification has been given to all such Condor Gold Shareholders.

It may be difficult for holders of Condor Gold Shares in the United States to enforce their rights and any claims arising out of the US federal laws in connection with the Acquisition, since Condor Gold and MTL are located in a non-US jurisdiction, and some or all of their respective officers and directors may be residents of a non-US jurisdiction. Holders of Condor Gold Shares in the United States may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The receipt of the Fixed Consideration and the CVR Consideration pursuant to the Scheme by shareholders of Condor Gold in the United States (defined as shareholders who are US persons as defined in the US Internal Revenue Code) as consideration for the transfer of Condor Gold Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws, and such tax consequences are not described in this Document. Each Condor Gold Shareholder (including holders of Condor Gold Shares in the United States) is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Acquisition and the Scheme applicable to him or her.

Neither the SEC nor any securities commission of any state of the United States nor any other United States regulatory authority has reviewed or approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this Document, the Scheme or the issue of the Fixed Consideration or the CVR Consideration. Any representation to the contrary is a criminal offence in the United States.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, MTL or its nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Condor Gold Shares outside of the United States, other than pursuant to the Acquisition, until the date on which the Scheme becomes Effective, lapses or is otherwise withdrawn. These purchases or arrangements to purchase may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website.

The statements contained in this Document are made as at the date of this Document, unless some other time is specified in relation to them, and service of this Document shall not give rise to any implication that there has been no change in the facts set forth in this Document since such date. Nothing in this Document shall be deemed to be a forecast, projection or estimate of the future financial performance of Condor Gold, the Condor Gold Group, MTL or the Wider MTL Group except where otherwise stated.

#### **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 Document 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, the CVRs and the Loan Notes pursuant to the Acquisition 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 Laws. The New MTL Shares, the CVRs and the Loan Notes received pursuant to the Acquisition 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, the CVRs or the Loan Notes, (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 Acquisition relates to the securities of a company organised under the laws of England and Wales with shares admitted to trading on the AIM market of the London Stock Exchange and listed on the TSX and is proposed to be implemented pursuant to a scheme of arrangement provided for under the Companies 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 Canadian Take-Over Bid Rules. While MTL and Condor Gold will complete the Acquisition in accordance with applicable Canadian Securities Laws, the Acquisition 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 law or applicable Canadian Securities Laws.

As a result of the Acquisition being effected by means of a scheme of arrangement provided for under the Companies Act, the Acquisition 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 Acquisition by means of a Takeover Offer and determines to extend such Takeover Offer into Canada, such Takeover 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 Takeover 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 Takeover Offer during the period in which such Takeover 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 to be 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 Acquisition is implemented by way of a scheme of arrangement, any New MTL Shares, CVRs or Loan Notes to be issued in connection with the Acquisition 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 to be issued in connection with the Acquisition and detailed in this Document, including New MTL Shares, CVRs or Loan Notes to be issued pursuant to the CVR Deed Poll 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 Acquisition or upon the adequacy or accuracy of the information contained in this Document. Any representation to the contrary is an offence.

The receipt of the Fixed Consideration and the CVR Consideration pursuant to the Scheme by a Canadian Condor Gold Shareholder 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, described below, 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 to the delisting of the Condor Gold Shares from trading on the TSX. Each Condor Gold Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Scheme 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.

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

The offer of New MTL Shares, CVRs and Loan Notes 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, CVRs and Loan Notes will be issued in reliance on exemptions in ASIC Legislative Instrument 2015/358 as the Acquisition represents 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. Condor Gold Shareholders located or resident in Australia 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 Document is received by a Condor Gold Shareholder in Australia, it is provided in reliance upon the ASIC Corporations (Unsolicited Offers—Foreign Bids) Instrument 2015/1070.

### **Use of a Standard**

Unless otherwise indicated, all mineral reserve and mineral resource estimates included in this Document (including information incorporated by reference in this Document) have been prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“**NI 43-101**”) and the Canadian Institute of Mining, Metallurgy and Petroleum (the “**CIM**”) – CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (the “**CIM Standards**”). NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The term “mineral reserve” is a Canadian mining term as defined in accordance with NI 43-101 and the CIM Standards. In addition, the terms “mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in accordance with NI 43-101 and the CIM Standards. There is no certainty that all or any part of mineral deposits in these categories will ever be converted into mineral reserves. “Inferred mineral resources” have a great amount of uncertainty as to their economic and legal feasibility. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in very limited circumstances. There is no certainty that all or any part of an inferred mineral resource is economically or legally mineable.

The mineral resource figures referred to in this Document (including information incorporated by reference in this Document) are estimates and no assurances can be given that the indicated levels of gold or other minerals will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Any inaccuracy or future reduction in such estimates could have a material adverse impact on Condor Gold.

### **Scientific and Technical Disclosure**

The written disclosure of scientific and technical information in this Document has been approved by Andrew Cheatle, P.Geol., a director of Condor Gold, and Gerald D. Crawford, P.E., the Chief Technical Officer of Condor Gold, each of whom is a Qualified Person (“**QP**”) for the purposes of NI 43-101.

Unless otherwise indicated, Condor Gold has prepared the technical information in this Document (“**Technical Information**”) based on information contained in the technical report entitled “*Condor Gold*



*Technical Report on the La India Gold Project, Nicaragua, 2022*", effective 31 March 2022, and signed 25 October 2022, prepared by Tim Lucks, PhD, MAusIMM (CP), Benjamin Parsons, MSc, MAusIMM (CP), Fernando Rodrigues, BS Mining, MBA, MMSAQ, and Eric Olin, MSc Metallurgy, MBA, SME-RM, MAusIMM of SRK Consulting (UK) Limited; Mike Rockandel, SME, of Mike Rockandel Consulting LLC; and Justin Knudsen, P.E., of Tierra Group International Ltd., all independent QPs under NI 43-101 (the "Technical Report").

The Technical Report is available under Condor Gold's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Technical Report. Readers are encouraged to review the full text of the Technical Report qualifying the Technical Information.

### **Forward-looking statements**

This Document contains statements (including information incorporated by reference in this Document) which are, or may be deemed to be, "forward-looking statements" and which are prospective in nature. All statements other than statements of historical fact included in this Document may be forward-looking statements. They are based on current expectations and projections 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. Often, but not always, forward-looking statements can be identified by the use of forward-looking words and expressions such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "anticipates", "believes", "targets", "aims", "projects", "future-proofing" or words or expressions or terms of similar substance or the negative of such words or terms, as well as variations of such words and expressions or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. 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's or Condor Gold's operations and potential synergies resulting from the acquisition of Condor Gold by MTL; and (iii) the effects of global economic conditions and governmental regulation on MTL's or Condor Gold's business.

Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause the actual results, performance or achievements of the Wider MTL Group or the Condor Gold Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These factors include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Condor Gold Group, please refer to the 2023 Condor Gold Annual Report and Accounts. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Wider MTL Group, please refer to MTL's financial statements for the year ended 31 December 2023. Each of the Wider MTL Group and the Condor Gold Group, and each of their respective members, directors, officers, employees, advisers and persons acting on their behalf, expressly disclaims any intention or obligation to update or revise any forward-looking or other statements contained in this Document, whether as a result of new information, future events or otherwise, except as required by applicable law or regulation.

No member of the Wider MTL Group, nor the Condor Gold Group, nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Document will actually occur.

No forward-looking or other statements have been reviewed by the auditors of the Wider MTL Group or the Condor Gold Group. All subsequent oral or written forward-looking statements attributable to any member of the Wider MTL Group or Condor Gold Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

In addition, information and statements relating to mineral resources and reserves are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources or reserves described exist in the quantities predicted or estimated, and may be profitably produced in the future. All mineral resource and reserve estimates contained herein and the recovery thereof are estimates only, and there is no guarantee that any estimated mineral resources or reserves will be recovered. Consequently, actual results may differ materially from those anticipated in the forward-looking statements.



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

No statement in this Document is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Document 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.

### **Disclosure requirements of the Code**

Under Rule 8.3(a) of the 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) 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 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, 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 [REDACTED] if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Rounding**

Certain figures included in this Document 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 the figures that precede them.

### **Publication on websites and availability of hard copies**

A copy of this Document and the documents required to be published by Rule 26 of the Code will be made available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on the investor relations section of Condor Gold's website at <https://www.condorgold.com/content/condor-offer> and MTL's website at <https://www.metalsexploration.com/investors/recommended-offer-for-condor-gold-plc/> promptly and in any event by no later than 12.00 noon (London time) on 11 December 2024. For the avoidance of doubt, neither the contents of those websites nor of any other website accessible from hyperlinks set out in this Document are not incorporated by reference into or form part of this Document.

In accordance with Rule 30.3 of the 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 Document free of charge by contacting Condor Gold's registrars, Computershare Investor Services PLC, during business hours at The Pavilions, Bridgewater Road, Bristol BS13 8AE, or by telephoning [REDACTED] or by emailing [REDACTED]. Such persons may also request that all future documents, announcements and information in relation to the Acquisition to be sent

to them should be in hard copy form. Please note that Computershare Investor Services PLC cannot offer advice on the terms of the Acquisition. 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. Lines are open between 08.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

For persons who receive a copy of this Document in electronic form or via a website notification, a hard copy of this Document will not be sent unless so requested. Such persons may also request that all future documents, announcements and information in relation to the Acquisition be sent to them in hard copy form.

### **Electronic communications**

Please be aware that addresses, electronic addresses and certain 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 requested under Section 4 of Appendix 4 of the Code.

### **Definitions and Interpretation**

Definitions used in this Document are as defined in Part 10 unless defined elsewhere herein or the context requires otherwise.

Unless otherwise indicated, all references in this Document to “**sterling**”, “**British Pounds**”, “**pounds sterling**”, “**GBP**”, “**£**”, “**pence**”, “**penny**” or “**p**” are to the lawful currency of the UK.

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

Words importing the singular shall include the plural and vice versa. Words importing the masculine gender shall include the feminine or neutral gender and vice versa.

The terms “**parent undertaking**” and “**subsidiary undertaking**” shall have the same meanings as defined in section 1162 of the Companies Act and references to “**parent**” and “**subsidiary**” shall be interpreted accordingly.

All references to a statutory provision or law or to any order or regulation shall be construed as a reference to that provision or law, order or regulation as extended, modified, replaced or re-enacted from time to time.

### **Date**

This Document is dated 11 December 2024.

## TO VOTE ON THE ACQUISITION

This page should be read in conjunction with the rest of this Document and, in particular, the section headed "Actions to be Taken" set out in paragraph 19 of Part 2 (*Explanatory Statement*) of this Document and the notices of the Court Meeting and the General Meeting at Part 11 (*Notice of Court Meeting*) and Part 12 (*Notice of General Meeting*) of this Document.

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. SCHEME SHAREHOLDERS ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN THEIR FORMS OF PROXY (OR APPOINT A PROXY ELECTRONICALLY) OR TO APPOINT A PROXY THROUGH THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE (AS APPROPRIATE) AS SOON AS POSSIBLE. DOING SO WILL NOT PREVENT THEM FROM ATTENDING, SPEAKING AND VOTING AT THE MEETINGS, OR ANY ADJOURNMENT THEREOF, IF SCHEME SHAREHOLDERS SO WISH AND ARE ENTITLED TO DO SO.**

**THE CONDOR GOLD DIRECTORS RECOMMEND UNANIMOUSLY THAT YOU VOTE IN FAVOUR OF THE SCHEME AT THE COURT MEETING AND THE SPECIAL RESOLUTION RELATING TO THE SCHEME TO BE PROPOSED AT THE GENERAL MEETING AS THE CONDOR GOLD DIRECTORS WHO HOLD CONDOR GOLD SHARES HAVE IRREVOCABLY UNDERTAKEN TO DO IN RESPECT OF THEIR OWN BENEFICIAL HOLDINGS OF CONDOR GOLD SHARES.**

Whether or not you intend to attend the Court Meeting and/or the General Meeting in person please sign and return your Forms of Proxy, or deliver your voting instructions by one of the other methods mentioned below, as soon as possible.

### **(a) Sending Forms of Proxy by post, by hand or electronically**

Condor Gold Shareholders are asked to complete, sign and return:

1. the blue Form of Proxy for use at the Court Meeting in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Condor Gold's registrar, Computershare Investor Services PLC, no later than 10.00 a.m. (London time) on 2 January 2025; and
2. the white Form of Proxy for use at the General Meeting in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Condor Gold's registrar, Computershare Investor Services PLC, no later than 10.15 a.m. (London time) on 2 January 2025,

(or in the case of any adjournment, so as to be received not less than 48 hours before the time and date set for the adjourned Meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day).

For Condor Gold Shareholders who have expressly provided consent, or who are deemed to have provided consent to receiving documents electronically pursuant to paragraph 10 of Schedule 4 of the Companies Act following Condor Gold's communications on 22 May 2015 concerning the publication of all future notices and documents (including the Annual Report and Accounts), you will nevertheless receive the blue Form of Proxy and white Form of Proxy in hard copy as described above at paragraph (a) and are asked to complete, sign and return the Forms of Proxy in the same way as soon as possible, but in any event so as to be received by Condor Gold's registrar by the deadline detailed at paragraph (a) above. You can view and download a copy of this Scheme Document online at Condor Gold's website: <https://www.condorgold.com/content/condor-offer>.

If the blue Form of Proxy for the Court Meeting is not returned by the above time, it may be handed to the Chair of the Court Meeting or to Condor Gold's registrar, Computershare Investor Services PLC, on behalf of the Chair of the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, if the white Form of Proxy for the General Meeting is not returned by the time mentioned above, or not otherwise lodged in accordance with the instructions set out in the white Form of Proxy, it will be invalid.

### **(b) Online appointment of proxies**

As an alternative to completing and returning blue and white Forms of Proxy, proxies may be appointed electronically by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions therein. You will need to enter the Control Number, Shareholder Reference Number (SRN) and your PIN which are included on the Forms of Proxy enclosed with this Document. Proxy votes should be submitted no later than 48 hours prior to the time set for the relevant Meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day. For an electronic proxy appointment to be valid, the appointment must be received by Computershare Investor Services PLC no later than 10.00 a.m. (London time) on 2 January 2025 for the

Court Meeting and 10.15 a.m. (London time) on 2 January 2025 for the General Meeting or, in the case of any adjournment, so as to be received not less than 48 hours before the time and date set for the adjourned Meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day.

In the case of the Court Meeting only, if you have not appointed a proxy electronically by such time, you may complete the blue Form of Proxy and hand it to a representative of Computershare Investor Services PLC on behalf of the Chair of the Court Meeting, or to the Chair of the Court Meeting, before the start of the Court Meeting and it will still be valid.

**(c) Electronic appointment of proxies through CREST**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Condor Gold's registrar, Computershare Investor Services PLC, (participant ID3RA50) not later than 10.00 a.m. (London time) on 2 January 2025 in the case of the Court Meeting and not later than 10.15 a.m. (London time) on 2 January 2025 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours before the time and date set for the adjourned meeting, excluding any part of such 48 hour period falling on a day that is not a Business Day). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Condor Gold may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.

If you wish to appoint more than one proxy in respect of your shareholding, please contact the shareholder helpline on the number provided below to obtain (an) additional proxy form(s). Alternatively, you may photocopy the enclosed proxy form or, if you are a CREST member, please follow the procedures set out in the CREST Manual.

The completion and return of Forms of Proxy or the submission of a proxy via the CREST electronic proxy appointment service will not prevent you from attending and voting at the Court Meeting and/or General Meeting, or any adjournments of such Meetings should you wish to do so and are entitled to do so.

The results of the Court Meeting and the General Meeting will be announced through a Regulatory Information Service and also published on Condor Gold's website at <https://www.condorgold.com/content/condor-offer> as soon as practicable after the Court Meeting and General Meeting and, in any event, no later than 8.00 a.m. (London time) on the following Business Day. Such announcements will state whether or not the requisite majorities of Condor Gold Shareholders voted in favour of the Scheme at the Court Meeting and the special resolution at the General Meeting and, if not, whether the Scheme has lapsed.

**(d) Beneficial shareholders on the Canadian Register**

The following information is of significant importance to most Canadian Condor Gold Shareholders. Canadian Condor Gold Shareholders generally do not hold their Condor Gold Shares in their own name. Rather the shares are noted on the Canadian Register as being registered to an intermediary such as a

bank, a trust company, a securities broker, a trustee or other nominee, on behalf of underlying beneficial holders. Most Canadian Condor Gold Shareholders are therefore “beneficial shareholders” who are non-registered shareholders. For the purposes of the information that follows, you are a beneficial shareholder (a “**Beneficial Shareholder**”) if you beneficially own Condor Gold Shares through an intermediary, and therefore do not have the Condor Gold Shares registered in your own name on the Canadian Register.

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

As noted above, Condor Gold Shares held by Canadian Shareholders are generally registered under the names of intermediaries. In Canada, the primary intermediary to which such shares are registered is “CDS & Co.”, the registration name for CDS, being The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. Intermediaries such as CDS & Co. are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

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

NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from Broadridge Financial Solutions Inc. (“**Broadridge**”). The VIF is to be completed and returned to Broadridge as set out in the instructions provided on the VIF. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Court Meeting and/or the General Meeting with respect to the Condor Gold Shares represented by the VIFs they receive.

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

Condor Gold does not intend to pay for intermediaries to forward to OBOs the proxy related materials, and in the case of an OBO, the OBO will not receive these materials unless the OBOs intermediary assumes the cost of delivery.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Condor Gold Shares are voted at the Court Meeting and/or the General Meeting. The proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by Condor Gold. However, its purpose is limited to instructing the intermediary on how to vote your Condor Gold Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by Condor Gold. The VIF will name the same persons as Condor Gold’s proxy to represent your Condor Gold Shares at the Court Meeting and/or General Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of Condor Gold), other than any of the persons designated in the VIF, to represent your Condor Gold Shares at the Court Meeting and/or the General Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Condor Gold Shares to be represented at the Court Meeting and/or the General Meeting and the appointment of any shareholder’s representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Court Meeting and/or the General Meeting in order to have your Condor Gold Shares voted or to have an alternate representative duly appointed to attend the Court Meeting and/or the General Meeting and vote your Condor Gold Shares at the Court Meeting and/or the General Meeting.

### **Shareholder helpline**

If you have any questions about this Document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy electronically or through the CREST electronic proxy

appointment service, please call the shareholder helpline operated by Computershare Investor Services PLC on [REDACTED] from overseas). Calls to this number are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice nor provide any advice on the merits of the Scheme and calls may be recorded and monitored for security and training purposes.

## COMPANY AND ADVISER INFORMATION

|  |  |
|--|--|
| <b>Company name</b>  | Condor Gold PLC  |
| <b>Company number</b>                                      | 05587987   |
| <b>Directors</b>   | Mark Child<br>James ("Jim") Mellon<br>Andrew Cheatle<br>John Ian Stalker<br>Denham Eke                                     |
| <b>Company secretary</b>                                   | Kate Doody   |
| <b>Registered office</b>                                   | 7/8 Innovation Place<br>Douglas Drive<br>Godalming<br>Surrey GU7 1JX   |
| <b>Website</b>   | <a href="https://www.condorgold.com/">https://www.condorgold.com/</a>  |
| <b>Nominated adviser and Rule 3 adviser to Condor Gold</b> | Beaumont Cornish Limited<br>Building 3<br>566 Chiswick High Road<br>London W4 5YA  |
| <b>Financial adviser to Condor Gold</b>                    | Hannam & Partners<br>7-10 Chandos Street<br>London W1G 9DQ   |
| <b>Financial adviser and nominated adviser to MTL</b>      | Strand Hanson Limited<br>26 Mount Row<br>London<br>W1K 3SQ   |
| <b>Legal adviser to Condor Gold as to English law</b>      | Hill Dickinson LLP<br>The Broadgate Tower<br>20 Primrose Street<br>London EC2A 2EW   |
| <b>Legal adviser to Condor Gold as to Canadian law</b>     | Blake, Cassels & Graydon LLP<br>199 Bay Street<br>Suite 4000, Commerce Court West<br>Toronto, Ontario<br>Canada<br>M5L 1A9 |
| <b>Legal adviser to MTL</b>                                | Squire Patton Boggs (UK) LLP<br>60 London Wall<br>London EC2M 5TQ  |
| <b>Registrars</b>  | Computershare Investor<br>Services PLC<br>The Pavilions<br>Bridgwater Road<br>Bristol<br>United Kingdom<br>BS13 8AE        |
| <b>Qualified Persons</b>                                   | Andrew Cheatle, P.Geo.<br>Gerald D. Crawford, P.E.   |



## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable is based on Condor Gold's and MTL's current expected dates for the implementation of the Scheme and is subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Condor Gold Shareholders by way of an announcement through a Regulatory Information Service.

| <b>Event</b>   | <b>Time and Date</b>  |
|--|---|
| Publication of this Document   | 11 December 2024  |
| Latest time for lodging Form of Proxy for the Court Meeting<br>( <b>blue form</b> )  | 10.00 a.m. on 2 January 2025 <sup>(1)</sup>                                       |
| Latest time for lodging Form of Proxy for the General Meeting<br>( <b>white form</b> )   | 10.15 a.m. on 2 January 2025 <sup>(2)</sup>                                       |
| Voting Record Time for the Court Meeting and the General Meeting   | 10.00 p.m. on 2 January 2025 <sup>(3)</sup>                                       |
| Court Meeting  | 10.00 a.m. on 6 January 2025  |
| General Meeting  | 10.15 a.m. on 6 January 2025 <sup>(4)</sup>                                       |
| MTL General Meeting to approve the allotment and issue of the New MTL Shares   | 11.00 a.m. on 9 January 2025  |
| Court hearing to sanction the Scheme   | 13 January 2025 <sup>(5)</sup>  |
| Last day of trading in Condor Gold Shares on the Toronto Stock Exchange  | 13 January 2025   |
| Last day of trading in, and for registration of transfers, and disablement in CREST, of Condor Gold Shares on AIM  | 13 January 2025 <sup>(5)</sup>  |
| Trading in Condor Gold Shares on AIM suspended   | 7.30 a.m. on 14 January 2025<br>by 9.30 a.m. (Toronto time) on<br>14 January 2025 |
| Halt in trading on the TSX of Condor Gold Shares   | by 4.30 p.m. (Toronto time) on<br>14 January 2025                                 |
| Delisting of Condor Gold Shares from the TSX   | 10.00 p.m. (London time) on 14 January<br>2025 <sup>(5)</sup>                     |
| Scheme Record Time   | 15 January 2025 <sup>(5)</sup>  |
| <b>Effective Date</b>  | <b>15 January 2025 <sup>(5)</sup></b>   |
| Cancellation of the admission to trading on AIM of the Condor Gold Shares  | 7.00 a.m. on 16 January 2025 <sup>(5)</sup>                                       |
| Admission of the Fixed Consideration New MTL Shares on AIM   | 8.00 a.m. on 16 January 2025 <sup>(6)</sup>                                       |
| Crediting of the Fixed Consideration New MTL Shares to CREST accounts in respect of Scheme Shares held in uncertificated form                                  | on or soon after 16 January 2025  |
| Latest date for CREST accounts to be credited in respect of Cash Consideration   | Within 14 days after the Effective Date   |
| Latest date of despatch of share certificates for the Fixed Consideration New MTL Shares and cheques in respect of the Scheme Shares held in certificated form | Within 14 days after the Effective Date   |
| Latest date for despatch of certificates in respect of CVRs to each CVR Holder   | Within 14 days after the Effective Date   |
| Long Stop Date   | 11.59 p.m. on 31 March 2025 <sup>(7)</sup>  |

**The above dates and/or times associated with the Scheme are subject to change and will depend on, among other things, the date on which (i) the Conditions are satisfied or, if capable of waiver, waived, (ii) the Court sanctions the Scheme and (iii) the Court order sanctioning the Scheme is delivered to the Registrar of Companies. Condor Gold will give adequate notice of any changes to these dates and times, when known, by issuing an announcement through a Regulatory Information Service, with such announcement being made available on Condor Gold's website at <https://www.condorgold.com/content/condor-offer>. Any further updates and changes to these times will be notified in the same manner.**

### Notes:

References to times are to London (England) time unless otherwise stated.

- (1) The **BLUE** Form of Proxy for the Court Meeting must be lodged by the time stated above in order to be valid or, if the Court Meeting is adjourned, not later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting. If the **BLUE** Form of Proxy relating to the Court Meeting is not lodged by the relevant time, it may be handed to the Chair of the Court Meeting or to Condor Gold's registrar, Computershare Investor Services PLC, on behalf of the Chair of the Court Meeting before the start of the Court Meeting.

- (2) The **WHITE** Form of Proxy for the General Meeting must be lodged by the time stated above in order to be valid or, if the General Meeting is adjourned, not later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting. If the **WHITE** Form of Proxy for the General Meeting is not lodged by the relevant time, or not otherwise lodged in accordance with the instructions set out in the **WHITE** Form of Proxy, it will be invalid.
- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time of the adjourned meeting(s) will be 10.00 p.m. (London time) on the second Business Day before the day fixed for the adjourned meeting.
- (4) The General Meeting will commence at 10.15 a.m. (London time) on the day of the Court Meeting or as soon as possible after the Court Meeting has been concluded or adjourned.
- (5) These dates are indicative only and will depend, among other things, on the date upon which (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) the Court Order is delivered to the Registrar of Companies.
- (6) This will comprise admission of the Fixed Consideration New MTL Shares only.
- (7) The Long Stop Date is the latest date by which the Scheme may become effective. However, the Long Stop Date may be extended to such later date as the Company and MTL may agree in writing (with the Panel's consent and as the Court may approve (should such approval(s) be required)) or if the Panel requires an extension to the Long Stop Date pending final determination of an issue under section 3(g) of Appendix 7 of the Code.

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- 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 mineral resource, measured in accordance with the JORC Code discovered in excess of the 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 Acquisition, as detailed further below, amounts to US\$28.8 million (approximately £22.6 million at the CVR 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.**

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 Acquisition.

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, Condor Gold 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 element 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 resource estimate 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.

***Offer is at a premium to the Condor Gold share price***

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 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).

### **Irrevocable Undertakings**

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 Acquisition 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 on or around the date of this Document. MTL has received irrevocable undertakings from its largest shareholders, MTL Luxembourg S.à.r.l and Drachs Investments No3 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 the Announcement.

The Boards of each of MTL and Condor Gold are also pleased to note that, in total, Condor Gold Shareholders (including those Condor Gold Directors who hold Condor Gold Shares in a personal capacity or through a nominee or related family trust) representing 4.1 per cent. of Condor Gold's issued ordinary share capital as at 3 December 2024 (being the latest practicable date prior to the Announcement) are supportive of the Acquisition and have each entered into irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting. In addition, MTL has received irrevocable undertakings from Galloway Limited ("**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 Acquisition 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.

### **Additional Information**

Following the successful completion of the Acquisition, Scheme Shareholders will hold approximately 33.7 per cent. 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 the Announcement and MTL Shareholders will hold approximately 66.3 per cent. of the Combined Group.

The purpose of the Scheme is to provide for MTL to become the owner of the entire issued and to be issued ordinary share capital of Condor Gold. This is to be achieved by the transfer by Scheme Shareholders of all of the Scheme Shares to MTL, in consideration for which, Scheme Shareholders will receive the New MTL Shares and 0.9 pence in cash per Condor Gold Share on the basis of the Fixed Consideration. The transfer to MTL of the Scheme Shares will result in Condor Gold becoming a wholly-owned subsidiary of MTL.

If any dividend and/or other distribution and/or other return of capital or value is proposed, declared, made, paid or becomes payable by Condor Gold in respect of a Condor Gold Share on or after the date of the Announcement and prior to the Effective Date, MTL will have the right (without prejudice to any right MTL may have, with the consent of the Panel, to invoke Condition 3.8.4 in Part A (*Conditions to the Acquisition*) of Part 3 (*Conditions and Further Terms of the Acquisition*) of this Document) at its sole discretion to reduce the entitlements under the consideration pursuant to the Scheme, by up to the amount per Condor Gold Share of such dividend, distribution or return of capital or value. The cash element of the consideration would be reduced first. If MTL exercises this right or makes such a reduction in respect of a dividend, distribution or return of capital or value, Condor Gold Shareholders will be entitled to receive and retain that dividend, distribution or return of value. Any exercise by MTL of its rights referred to in this paragraph 2 of this Part 1 shall be the subject of an announcement and, for the avoidance of doubt, shall not constitute a revision or variation of the terms of the Acquisition. If any such dividend or distribution or return of capital or value is declared, paid or made after the date of the Announcement and MTL exercises its rights described above, any reference in this Document to the consideration payable under the Acquisition shall be deemed to be a reference to the consideration as so reduced.

## Conditions to the Scheme

It is expected that the Scheme will become Effective on 15 January 2025, subject to the Conditions and certain further terms set out in Part 4 (*Scheme of Arrangement*) of this Document. This date is indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme. Implementation of the Scheme is subject to, amongst other things:

- a. a resolution to approve the Scheme being 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;
- b. the Resolution necessary to implement the Scheme and the Acquisition being passed by the requisite majority of Condor Gold Shareholders at the General Meeting;
- c. following the Court Meeting and General Meeting and satisfaction and/or waiver (where applicable) of the other Conditions, the Scheme being sanctioned by the Court (without modification, or with modification on terms agreed by MTL and Condor Gold);
- d. following such sanction, an office copy of the Court Order being delivered to the Registrar of Companies;
- e. 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;
- f. 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
- g. the other Conditions not otherwise identified above (but set out in Part 3 (*Conditions and further terms of the Acquisition*) of this Document) either being satisfied or, with the exception of certain Conditions which are not capable of waiver, waived.

The Scheme can only become Effective in accordance with its terms if all the Conditions have been satisfied or, where relevant, waived. Subject to satisfaction (or, where applicable, waiver) of the Conditions, the Scheme is expected to become Effective in accordance with its terms by the Long Stop Date or such later date (if any) as MTL or Condor Gold may agree, and (if required) the Panel and the Court may allow.

Once the Scheme becomes Effective, it will be binding on all Scheme Shareholders, whether or not they voted in favour of the Scheme and related matters at the Court Meeting and at the General Meeting.

Under the terms of the Scheme, the Condor Gold Shares being acquired will be fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever (except for any arising by operation of law) and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid with a record date on or after the Effective Date.

## Fractional entitlements

Fractions of pence will not be paid to Scheme Shareholders and cash entitlements will be rounded down to the nearest penny. Fractional entitlements to New MTL Shares for each Scheme Shareholder will be rounded down to the nearest integral number.

## 3. Background to, and reasons for, the Acquisition by MTL

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 covers an area of 16,200 hectares. MTL has a strong balance sheet and, save for the MTL Acquisition Loan entered into specifically in connection with the Acquisition, 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, thereby alleviating its current capital constraints and reducing the timetable to commercial production.

Completion of the Acquisition 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 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.

#### **4. 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 Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the Condor Gold Directors, Beaumont Cornish has taken into account the commercial assessments of the Condor Gold Directors. Beaumont Cornish is providing independent financial advice for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Condor Gold Directors believe that the Acquisition 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 Acquisition 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 Resolution to be proposed at the 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 the Announcement).

#### **5. Background to, and reasons for the Condor Gold Directors' recommendation of the Acquisition**

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 non-disclosure agreements (NDAs) have been entered into, site visits hosted, and discussions were 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 Acquisition were agreed, subject to due diligence, between the parties which included the agreement of the consideration.

In considering the financial terms of the Acquisition 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 combined business and hence liquidity in its shares.

In considering the recommendation of the Acquisition 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's Group 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 Acquisition 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 financing 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 Acquisition 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 Acquisition, considers the terms of the Acquisition 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.

Consequently, the Condor Gold Directors believe that the Acquisition represents the best opportunity for Condor Gold Shareholders to gain exposure to additional scale and the opportunities offered by the Combined Group.

Accordingly, the Condor Gold Directors believe that the terms of the Acquisition 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 General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Offer).

## **6. 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 Acquisition 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 Acquisition at the Meetings (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover 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 the 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 the Announcement, MTL had received irrevocable undertakings to: (i) vote (or, where applicable, procure voting) in favour of the resolutions relating to the Scheme and the Acquisition at the Meetings (or in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover 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 the Announcement).

In order to allot the New MTL Shares, MTL will be required to seek approval from the MTL Shareholders at the MTL General Meeting. The Acquisition 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 this 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 No3 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 the Announcement. Further details of the irrevocable undertakings described above are set out in paragraph 4 of Part 7 (*Additional Information on the Condor Gold Group and the MTL Group*) of this Document.

## 7. 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 (symbol: COG) 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 La India Project, Nicaragua, which comprises a large, highly prospective land package of 588 square kilometres comprising of 12 contiguous and adjacent concessions. The La India Project hosts a high-grade mineral resource estimate ("**MRE**") of 9,672 kt at 3.5g/t gold for 1,088,000 oz gold in the indicated mineral resource category and 8,642 kt at 4.3 g/t gold for 1,190,000 oz gold in the inferred mineral resource category. The open pit MRE is 8,693 kt at 3.2 g/t gold for 893,000 oz gold in the indicated mineral resource category and 3,027 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 (as detailed in 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 Condor Gold website at <https://www.condorgold.com/> and also at Condor Gold's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca), as described under the heading "Scientific and Technical Disclosure").

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 Part 6 (*Contingent Value Rights and Loan Notes*) of this Document.

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. 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. 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                       |
|                        | 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.

## **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 Acquisition.

### **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. MTL's intentions with regards to Condor Gold's 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 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 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 Abra 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 to complete this drilling 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 Acquisition 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 Project to create a larger, more mature and geographically diverse, gold exploration and production group with significant free cash flow 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 material advanced exploration stage asset in Nicaragua, and further exploration upside potential in the Philippines.

Pursuant to the terms of the CVR Deed Poll which is described in more detail in Part 6 (*Contingent Value Rights and Loan Notes*) of this Document, 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 Gold.

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 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 management or employees with respect to any form of future incentivisation and that 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 pension scheme and that it does not have any current or historical obligations in respect of any defined benefit pension arrangements providing benefits on a defined benefit basis.

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 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 other 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 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. 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 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.

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 9 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

## **10. De-listing of the Condor Gold Shares and re-registration of Condor Gold and the admission of the New MTL Shares to trading on AIM**

On Completion, Condor Gold will become a wholly owned subsidiary of MTL. Prior to the Effective Date, 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 by no later than 4:30 p.m. (Toronto time) on the Business Day immediately prior to the Effective Date.

The last day of trading 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 10:00 p.m. (London time) on that date. The last day of trading in the Condor Gold Shares on the TSX is expected to be on the date of the Court Hearing and the Condor Gold Shares are expected to 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.

## **11. Condor Gold Options and Condor Gold Warrants**

The Acquisition will impact on outstanding options held by participants in the Condor Gold Share Plan and outstanding warrants held by participants under the Condor Gold Warrant Instrument. Participants in the Condor Gold Share Plan and Condor Gold Warrant Holders will be contacted separately regarding the effect of the Acquisition on their options and warrants under the Condor Gold Share Plan and Condor Gold Warrant Instrument and appropriate proposals will be made to such participants and holders in due course.

MTL proposes to offer the holders of Condor Gold Options and Condor Gold Warrants the opportunity to exchange their interests for New MTL Options and New MTL Warrants. To the extent that any such exchange offer is not accepted, Condor Gold Options and Condor Gold Warrants that are not exercised will lapse, in due course, in accordance with their terms, following the Effective Date. The number of New MTL Options and New MTL Warrants to be issued shall be determined in line with the Consideration and shall be subject to the same vesting terms and conditions as the existing Condor Gold Options and Condor Gold Warrants.

As detailed at paragraph 3b of Part 7 (*Additional information on the Condor Gold Group and the MTL Group*) of this Document, Mr Ian Stalker currently holds, in aggregate 2,400,000 Condor Gold Options granted under the Condor Gold Share Plan. The five-year exercise period for 100,000 options granted to Mr Stalker on 21 November 2019 has expired (on 20 November 2024, five years after the grant date). As Mr Stalker notified Condor Gold in writing of his intention to exercise the options prior to their lapse, but was prevented from exercising such options (due to Condor Gold being in a “close period” under MAR), in accordance with the Condor Gold Share Plan, the exercise period has been extended to a date 30 days after Condor Gold ceased to be in a “close period” under MAR (and accordingly has been extended to 1 January 2025 – 30 days after the commencement of the Offer Period).

If any Condor Gold Options or Condor Gold Warrants are exercised, the Scheme will apply to any Condor Gold Shares which are unconditionally allotted, issued, or transferred before the Scheme Record Time to satisfy the exercise of such options and/or warrants.

It is proposed to amend Condor Gold’s articles of association at the General Meeting to provide that, if the Scheme becomes Effective, any Condor Gold Shares issued to any person other than MTL and/or its nominee(s) at or after the Scheme Record Time (including in satisfaction of the exercise of Condor Gold Options and Condor Gold Warrants) will be automatically transferred to, or to the order of, MTL on the same terms as under the Scheme in exchange for the provision by MTL of the same consideration payable per Condor Gold Share under the Scheme. Further information in respect of the proposed amendments to Condor Gold’s articles of association is contained in paragraph 2 of Part 2 (*Explanatory Statement*) of this Document and in the Notice of General Meeting at Part 12 (*Notice of General Meeting*) of this Document.



## **12. 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 Companies Act or the Takeover Code. The Deferred Shares will not form part of 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.

## **13. MTL Shareholder approval to issue the New MTL Shares and recommendation by the MTL Directors**

The Acquisition 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 Acquisition is 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 Scheme 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 on or around the same date as this Document is posted to Condor Gold 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 Acquisition 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. Hannam has acted as financial adviser to Condor Gold in connection with the Acquisition. Certain of the MTL Directors, 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 comprising of, in aggregate 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 the Announcement.

Furthermore, Condor Gold and MTL have received irrevocable undertakings from MTL (Luxembourg) S.à.r.l and Drachs Investments No3 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 the Announcement. In addition, Andrew Chubb and Rob Marshall, both MTL Directors, have indicated their intention to vote in favour of the MTL Resolution(s) in respect of the MTL Shares which they hold or are beneficially interested in (or whose family members hold, or are beneficially interested in) comprising of, in aggregate, 11,920,928 MTL Shares representing, in aggregate, approximately 0.69 per cent. of MTL’s voting share capital in issue as the Latest Practicable Date.

Further details of these irrevocable undertakings (including the circumstances in which they may lapse) are set out in Part 7 (*Additional Information on The Condor Gold Group and The MTL Group*).

#### **14. Admission of the New MTL Shares to Trading on AIM**

Subject to the passing of the MTL Resolution(s) and the satisfaction (and or waiver) of the Conditions and further terms set out in Part 3 (*Conditions and Further Terms of the Acquisition*) of this Document, MTL will make an application for the admission to trading on AIM of the Fixed Consideration New MTL Shares to be issued in connection with the Acquisition.

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 information regarding the rights attaching to the MTL Shares is set out in Appendix 1 to this Document.

#### **15. Settlement**

Subject to implementation of the Scheme (and except as provided in relation to Overseas Shareholders (other than Canadian Condor Gold Shareholders)), settlement of the consideration to which any holder of Scheme Shares is entitled under the Scheme will be effected in the manner set out below.

##### **Cash component of the Fixed Consideration**

Settlement of the cash component of the Fixed Consideration to which a Scheme Shareholder on the UK Register is entitled will be effected:

- (i) in the case of Condor Gold Shareholders who hold their Scheme Shares in certificated form at the Scheme Record Time, by MTL despatching, or procuring to be despatched, payment (i) if the relevant Scheme Shareholder has set up a standing electronic payment mandate with Computershare Investor Services PLC for the purpose of receiving dividend payments (or otherwise), by way of an electronic payment mandate; (ii) cheque or (iii) otherwise by any other method that the Court and the Panel may allow. All such cash payments shall be paid in pounds Sterling and, in the case of a cheque, drawn on a UK clearing bank. All cheques shall be made payable to the Condor Gold Shareholder concerned or, in the case of joint holders, the joint holder whose name stands first in the register of members of Condor Gold in respect of such joint holding at the Scheme Record Time (save that, in the case of joint holders, MTL reserves the right to make the cheque payable to all joint holders); and
- (ii) in the case of Condor Gold Shareholders who hold their Condor Gold Shares in uncertificated form at the Scheme Record Time, by MTL procuring that Euroclear is instructed to create an assured payment obligation in favour of the appropriate payment bank of the persons entitled to the sums payable and in accordance with the CREST assured payment arrangements (as set out in the CREST Manual).

##### **New MTL Share component of the Fixed Consideration**

Settlement of the share component of the Fixed Consideration to which a Scheme Shareholder on the UK Register is entitled will be effected:

- (i) in the case of Condor Gold Shareholders who hold their Scheme Shares in certificated form at the Scheme Record Time, by MTL procuring that the New MTL Shares to which such Condor Gold Shareholder is entitled will be issued in certificated form. Definitive certificates for New MTL Shares will be despatched within 14 days from the Effective Date (or such other period as may be agreed between Condor Gold and MTL and approved by the Panel) by first class post (or by such other method as determined by MTL) to the address appearing in the register of members of Condor Gold at the Scheme Record Time or, in the case of joint holders, to the holder whose name stands first in that register in respect of the joint holding concerned. Pending the despatch of share certificates for New MTL Shares, issues of New MTL Shares will be certified against the register of members of MTL; or
- (ii) in the case of Condor Gold Shareholders who hold their Condor Gold Shares in uncertificated form at the Scheme Record Time, by MTL instructing Euroclear, or procuring that Euroclear is instructed, to credit the appropriate stock account in CREST of such Condor Gold Shareholder with such person's entitlement to New MTL Shares as soon as practicable after the Scheme becomes Effective and, in any event, within 14 days of the Effective Date. MTL reserves the right to issue New MTL Shares to any Scheme Shareholders holding their Condor Gold Shares in CREST in the manner referred to in paragraph (i) above if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this paragraph (ii).

## **CVR**

The CVRs will be issued in certificated registered form to each Scheme Shareholder as at the Scheme Record Time (other than Restricted Overseas Persons), and the names of such holders entered on the register of CVRs to be maintained by MTL's share registrar, being Share Registrars Limited as at the date of this Document. Certificates for the CVRs will be sent by first class post (or international standard post if overseas) as soon as practicable after the Effective Date, and, in any event, no later than 14 days thereafter to Scheme Shareholders at the address appearing in Condor Gold's register of members at the Scheme Record Time or, in the case of joint holders, to the holder whose name appears first in such register in respect of the joint holding concerned.

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 New 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 New 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.

### **Consideration where Scheme Shares are held on the Canadian Register**

As noted elsewhere in this Document, Canadian Condor Gold Shareholders generally do not hold their Condor Gold Shares in their own name. Rather, the Condor Gold Shares are noted on the Canadian Register as being registered to an intermediary such as a bank, a trust company, a securities broker, a trustee or other nominee (each, a "**CDS Participant**"), on behalf of underlying beneficial holders. In Canada, the primary intermediary to which such shares are registered is "CDS & Co.", the registration name for CDS, which acts as nominee for many Canadian brokerage firms. Most Canadian Condor Gold Shareholders are therefore Beneficial Shareholders who are non-registered shareholders.

The aggregate cash component of the Fixed Consideration due to Scheme Shareholders who beneficially hold their Scheme Shares in uncertificated form on the Canadian Register (that is, through CDS) at the Scheme Record Time will be paid by MTL to Computershare Investor Services PLC. As soon as reasonably practicable following receipt of such funds, Computershare Investor Services PLC will arrange for wire transfer payment of such funds to CDS. CDS, through the CDS clearing and settlement system, will in turn electronically credit, in Canadian dollars, to each such beneficial Canadian Condor Gold Shareholder the cash component of the Fixed Consideration due.

Settlement of the share component of the Fixed Consideration (i.e. the New MTL Shares) and CVR Consideration to which a Scheme Shareholder who beneficially holds their Scheme Shares in uncertificated form on the Canadian Register (that is, through CDS) at the Scheme Record Time is entitled will be effected as follows. Within 14 days of the Effective Date (or such other period as may be agreed between Condor Gold and MTL and as approved by the Panel), definitive (physical) certificates representing New MTL Shares and CVRs will be prepared by MTL's registrar and sent by first class post (or such other method as determined by MTL) to the relevant CDS Participants for onward distribution to such beneficial Canadian Condor Gold Shareholders. In the event that a CDS Participant requires revised or additional definitive (physical) certificates, MTL will direct its registrar to generate and deliver such certificates as soon as reasonably practicable.

**Canadian Condor Gold Shareholders whose Condor Gold Shares are registered in the name of an intermediary should contact their intermediary for instructions and assistance with respect to how to receive the definitive certificates representing the Fixed Consideration and CVR Consideration to which they are entitled. Intermediaries should contact CDS to seek instructions with respect to the delivery of the Fixed Consideration and CVR Consideration.**

### **General**

All documents (including share certificates, CVR certificates and loan note certificates sent to, by, from or on behalf of Scheme Shareholders in accordance with this paragraph 15 of this Part 1 of this Document will be sent entirely at the risk of the person entitled thereto.

Settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms set out in this paragraph 15 of this Part 1 of this Document without regard to any lien, right of set off, counterclaim or analogous right to which MTL may otherwise be, or claim to be, entitled against any Scheme Shareholder.

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 Acquisition 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.

## **16. United Kingdom taxation**

A summary of relevant UK taxation, which is intended as a general guide only, is set out in Part 8 (*United Kingdom Taxation*) of this Document. If you are in any doubt as to your tax position, or you are subject to taxation in any jurisdiction other than the UK, you are strongly advised to consult an appropriate independent professional adviser.

## **17. The Scheme and the Meetings**

It is intended that the Acquisition will be implemented by means of a court-sanctioned scheme of arrangement between Condor Gold and the Scheme Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for MTL to become the owner of the entire issued and to be issued ordinary share capital of Condor Gold. In order to achieve this, the Scheme Shares will be transferred to MTL under the Scheme. In consideration for this transfer, the Scheme Shareholders will receive 4.0526 New MTL Shares and 9.9p in cash for each Condor Gold Share held as set out in paragraph 2 of this Part 1 of this Document. The transfer to MTL of the Scheme Shares will result in Condor Gold becoming a wholly owned subsidiary of MTL.

The Acquisition is subject to the Conditions and further terms set out in Part 3 (*Conditions and Further Terms of the Acquisition*) of this 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 being 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 Resolution necessary to implement the Scheme and the Acquisition being passed by the requisite majority of Condor Gold Shareholders at the General Meeting;
- following the Court Meeting and General Meeting and satisfaction and/or waiver (where applicable) of the other Conditions, the Scheme being 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 being 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;
- 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 Part 3 (*Conditions and Further Terms of the Acquisition*)) of this Document either being satisfied or, with the exception of certain Conditions which are not capable of waiver, waived.

In order for the Scheme to become Effective:

- the Scheme must be approved at the Court Meeting by a majority in number of the Scheme Shareholders who are present, entitled to vote, and vote (whether in person or by proxy) at the Court Meeting and who represent 75 per cent. or more in value of the Condor Gold Shares;
- the Resolution required to approve and implement the Scheme being duly passed by 75 per cent. or more of votes cast at the General Meeting;
- following the Scheme being approved at the Court Meeting and the Resolution being passed at the General Meeting, the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Condor Gold and MTL); and
- following the sanction by the Court, a copy of the Court Order must be delivered to the Registrar of Companies for registration.

The Scheme will only become Effective if, among other things, the events described in the paragraph immediately above occur no later than 11.59 p.m. on 31 March 2025, being the Long Stop Date.

Additionally, the Scheme will lapse if, amongst other things:

- the Court Meeting and General Meeting are not held on or before the 22nd day after the expected date of such meetings, as set out in this Document (or such later date as may be agreed by MTL and Condor Gold with the consent of the Panel and, if required, the Court);
- the Court Hearing is not held on or before the 22nd day after the expected date of such hearing, as set out in this Document (or such later date as may be agreed by MTL and Condor Gold with the consent of the Panel and, if required, the Court); or
- the Scheme does not become Effective by no later than 11.59 p.m. (London time) on the Long Stop Date,

provided, however, that the deadlines for the timing of the Court Meeting, the General Meeting and the Court Hearing as set out above may be waived by MTL, and the deadline for the Scheme to become Effective may be extended by agreement between MTL and Condor Gold.

Subject to satisfaction (or waiver, where applicable) of the Conditions, the Scheme is expected to become Effective before the end of January 2025.

Once the Scheme becomes Effective, it will be binding on all Scheme Shareholders, whether or not they voted at the Court Meeting and the General Meeting and, if they did vote, whether or not they voted in favour of or against approving the Scheme at the Court Meeting or the Resolution to be proposed at the General Meeting.

The terms of the Scheme provide that the Condor Gold Shares will be acquired under the Scheme fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights attaching thereto, including the right to receive and retain all dividends and other distributions and returns of value declared, paid or made after the Effective Date.

If any dividend and/or other distribution and/or return of capital or value is proposed, declared, made, paid or becomes payable by Condor Gold in respect of a Condor Gold Share on or after the date of the Announcement and prior to the Effective Date, MTL will have the right (without prejudice to any right MTL may have, with the consent of the Panel, to invoke Condition 3.8.4 in Part A (*Conditions to the Scheme and the Acquisition*) of Part 3 (*Conditions and Further Terms of the Acquisition*) of this Document) at its sole discretion to reduce the entitlements under the Consideration pursuant to the Scheme, by up to the amount per Condor Gold Share of such dividend, distribution or return of capital or value. The cash element of the consideration would be reduced first. If MTL exercises this right or makes such a reduction in respect of a dividend, distribution or return of capital or value, Condor Gold Shareholders will be entitled to receive and retain that dividend, distribution or return of capital or value. Any exercise by MTL of its rights referred to in this paragraph 17 of this Part 1 of this Document shall be the subject of an announcement and, for the avoidance of doubt, shall not constitute a revision or variation of the terms of the Acquisition. If any such dividend or distribution or return of capital or value is declared, paid or made after the date of the Announcement and MTL exercises its rights described above, any reference in the Announcement or this Document to the consideration payable under the Acquisition shall be deemed to be a reference to the consideration as so reduced.

The Scheme will be governed by the laws of England and Wales and will be subject to the jurisdiction of the Courts of England and Wales. The Scheme will also be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the FCA, the TSX, the AIM Rules and the Registrar of Companies.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. Scheme Shareholders are therefore strongly urged to complete, sign and return their Forms of Proxy (or appoint a proxy electronically) or to appoint a proxy through the CREST electronic proxy appointment service (as appropriate) as soon as possible. Doing so will not prevent you from attending and participating in the Meetings, or any adjournment thereof, if you so wish and are so entitled.**

Further details of the Scheme and the Meetings are set out in paragraphs 2 and 19 of Part 2 (*Explanatory Statement*) of this Document.

MTL reserves the right, subject to the prior consent of the Panel and in accordance with the terms of the Cooperation Agreement, to elect to implement the Acquisition by way of a Takeover Offer. In such event, such Takeover Offer will be implemented on the same terms (subject to appropriate amendments as described in paragraph 7 of Part B (*Certain further terms of the Acquisition*) of Part 3 (*Conditions and Further Terms of the Acquisition*) of this Document), so far as applicable, as those which would apply to the Scheme. Furthermore, if such offer is made and sufficient acceptances of such offer are received, when

aggregated with Condor Gold Shares otherwise acquired by MTL, it is the intention of MTL to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily any outstanding Condor Gold Shares to which such offer relates.

### **18. Recommendation**

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

**Accordingly, the Condor Gold Directors unanimously recommend that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that Condor Gold Shareholders vote in favour of the Resolution to be proposed at the General Meeting which are to be convened to approve the Acquisition, as each of Jim Mellon, Mark Child, John Ian Stalker and Andrew Cheatle have irrevocably undertaken so to do in respect of their own beneficial shareholdings in Condor Gold which amount in aggregate to 8,316,145 Condor Gold Shares, representing approximately 4.1 per cent. of the existing issued ordinary share capital of Condor Gold (excluding Treasury Shares) as at the last Business Day prior to the date of this Document.**

### **19. Further information**

Please note that the information contained in this letter is not a substitute for reading the remainder of this Document in full.

Your attention is drawn to the further information contained in Part 2 (*Explanatory Statement*), Part 3 (*Conditions and Further Terms of the Acquisition*), Part 4 (*Scheme of Arrangement*) and Part 7 (*Additional Information on The Condor Gold Group and The MTL Group*) of this Document which provides further details concerning the Scheme.

**You are advised to read the whole of this Document and the accompanying Forms of Proxy and not just rely on the summary information contained in this letter.**

Yours faithfully

Jim  
*Non-Executive Chairman*

Mellon

for \_\_\_\_\_ and  
**The Condor Gold Directors**

on

behalf

of

**PART 2 – EXPLANATORY STATEMENT**  
(in compliance with section 897 of the Companies Act 2006)

Hannam & Partners  
7-10 Chandos Street  
London, UK  
W1G 9DQ

11 December 2024

*To the holders of Condor Gold Shares and, for information only, to the holders of Options, holders of Warrants and persons with information rights*

Dear Condor Gold Shareholder

**RECOMMENDED OFFER FOR CONDOR GOLD BY MTL**

**1. Introduction**

On 4 December 2024, the boards of directors of Condor Gold and MTL announced that they had reached agreement on the terms of a recommended offer for the entire issued and to be issued ordinary share capital of Condor Gold by MTL. It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Condor Gold and Scheme Shareholders pursuant to Part 26 of the Companies Act. The Scheme requires, amongst other things, the approval of the Scheme Shareholders and the sanction of the Court.

Your attention is drawn to the Letter from the Chair set out in Part 1 of this Document which forms part of this explanatory statement, and in particular paragraph 3 on the background to, and reasons for, the Acquisition by MTL and paragraph 5 on the background to, and reasons for, the Condor Gold Directors' recommendation of the Acquisition to Scheme Shareholders to vote in favour of the Scheme at the Court Meeting and the Condor Gold Shareholders to vote in favour of the special resolution to be proposed at the General Meeting as each of the Condor Gold Directors holding Condor Gold Shares have irrevocably undertaken so to do in respect of their own beneficial holdings of Condor Gold Shares.

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

Hannam has been authorised by the Condor Gold Directors to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information. In giving its advice, Hannam is advising the Condor Gold Directors in relation to the Acquisition and are not acting for any Condor Gold Director in their personal capacity nor for any Condor Gold Shareholder in relation to the Acquisition. Hannam will not be responsible to any such person for providing the Hannam protections afforded to clients of Hannam or for advising any such person in relation to the Acquisition. In particular, Hannam will not owe any duties or responsibilities to any particular Condor Gold Shareholder concerning the Acquisition. Please note that dates and timings set out in this Document are indicative only and may be subject to change.

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part 4 (*Scheme of Arrangement*) of this Document. Your attention is also drawn to the other parts of this Document, which are deemed to form part of this Explanatory Statement, including Part 1 (*Letter from the Chair of Condor Gold*), the Conditions and certain further terms set out in Part 3 (*Conditions and Further Terms of the Acquisition*) and the additional information set out in Part 7 (*Additional Information on the Condor Gold Group and the MTL Group*) of this Document. For overseas holders of Condor Gold Shares, your attention is also drawn to Part 9 (*Additional Information for Overseas Shareholders*), which forms part of this Explanatory Statement.

**2. Summary of the Scheme**

The Acquisition is being effected by way of a Court-sanctioned scheme of arrangement between Condor Gold and Scheme Shareholders under Part 26 of the Companies Act (although MTL reserves the right (with the consent of the Panel, and subject to the terms of the Cooperation Agreement) to implement the Acquisition by way of a Takeover Offer). Following the Scheme becoming Effective, the entire issued ordinary share capital of Condor Gold will be held by MTL.

Under the terms of the Acquisition, Scheme Shareholders will receive:

|                                    |  |
|------------------------------------|--|
| <b>For each Condor Gold Share:</b> | <b>4.0526 New MTL Shares and 9.9p in cash<br/>and<br/>1 Contingent Value Right</b> |
|------------------------------------|--|

Under the terms of the Acquisition, 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 (the “**CVR Consideration**”) for each Scheme Share held, 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 mineral resource, measured in accordance with the JORC Code 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 Acquisition, as detailed further below, amounts to US\$28.8 million (approximately £22.6 million at the CVR 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 both the Combined Group’s ability to commence production at La India and in the exploration upside at the Gold Projects, the minimum payment under the Contingent Value Rights is uncertain and could be zero.**

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 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 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).

Under the terms of the Acquisition, Condor Gold Shareholders will receive New MTL Shares. Following the Effective Date, Condor Gold Shareholders will own approximately 33.7 per cent. of the 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 as at 3 December 2024 (being the last Business Day prior to the Announcement)).

If any dividend and/or other distribution and/or return of capital value is proposed, declared, made, paid or becomes payable by Condor Gold in respect of a Condor Gold Share on or after the date of the



Announcement and prior to the Effective Date, MTL will have the right (without prejudice to any right MTL may have, with the consent of the Panel, to invoke Condition 3.8.4 in Part A (*Conditions to the Scheme and the Acquisition*) of Part 3 (*Conditions and Further Terms of the Acquisition*) of this Document) at its sole discretion to reduce the entitlements under the consideration pursuant to the Scheme, by up to the amount per Condor Gold Share of such dividend, distribution or return of capital or value. The cash element of the consideration would be reduced first. If MTL exercises this right or makes such a reduction in respect of a dividend, distribution or return of value, Condor Gold Shareholders will be entitled to receive and retain that dividend, distribution or return of capital or value. Any exercise by MTL of its rights referred to in this paragraph 2 of Part 2 (*Explanatory Statement*) of this Document shall be the subject of an announcement and, for the avoidance of doubt, shall not constitute a revision or variation of the terms of the Acquisition. If any such dividend or distribution or return of capital or value is declared, paid or made after the date of the Announcement and MTL exercises its rights described above, any reference in this Document to the consideration payable under the Acquisition shall be deemed to be a reference to the consideration as so reduced.

Shortly following the Effective Date, it is intended that 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.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether they attended or voted, and if they voted, whether they voted for or against the Scheme, at the Court Meeting or the General Meeting. Upon the Scheme becoming Effective, Condor Gold will become a wholly-owned subsidiary of MTL.

### **Conditions**

The Acquisition and, accordingly, the Scheme is subject to a number of Conditions as set out in full in Part 3 (*Conditions and Further Terms of the Acquisition*) of this Document, including amongst other things:

1. the approval of the Scheme by a majority in number of the Scheme Shareholders present and voting by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders;
2. passing of the special resolution necessary to implement the Scheme at the General Meeting;
3. the sanction of the Scheme by the Court;
4. the passing of the resolutions by the shareholders of MTL necessary to issue and allot the New MTL Shares; and
5. MTL having taken all necessary actions so that the New MTL Shares begin trading on or around the date following the Effective Date.

The Scheme will require approval by Scheme Shareholders at the Court Meeting and Condor Gold Shareholders at the General Meeting and the sanction of the Court at the Court Hearing. The Meetings and the nature of the approvals required to be given at them are described in more detail in paragraph 5 below. All Scheme Shareholders are entitled to attend the Court Hearing in person or through representatives.

The Scheme can only become Effective if all Conditions to the Scheme, including the requisite shareholder approvals and the sanction of the Court, have been satisfied (unless, where applicable, the relevant Condition is waived, if capable of waiver). The Scheme will become Effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration. Subject to the sanction of the Scheme by the Court, this is expected to occur before the end of January 2025. If the Scheme does not become Effective by the Long Stop Date, the Scheme will not become Effective and the Acquisition will not proceed (unless Condor Gold and MTL otherwise agree and the Panel otherwise consents).

### **Amendments to Condor Gold's articles of association**

It is proposed, as part of the special resolution to be proposed at the General Meeting relating to the Scheme, to amend Condor Gold's articles of association to ensure that any Condor Gold Shares issued between the General Meeting and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend Condor Gold's articles of association so that any Condor Gold Shares issued to any person other than MTL or its nominee(s) at or after the Scheme Record Time will be automatically acquired by MTL on the same terms as under the Scheme. This will avoid any person (other than MTL or its nominee(s)) being left with Condor Gold Shares after trading in such shares have been suspended on the TSX (which is expected to occur at 9.30 a.m. (Toronto time) on 14 January 2025) and AIM (which is expected to occur at 7.30 a.m. (London time) on 14 January 2025). Part (B) of the special resolution set out in the notice of General Meeting in Part 12 (*Notice of General Meeting*) of this Document seeks the approval of Condor Gold Shareholders for such amendment.

## **The Scheme**

It is proposed that, under the Scheme, the Scheme Shares will be transferred to MTL (or its nominee(s)) so that the entire issued ordinary share capital of Condor Gold is held by MTL (or its nominee(s)). Holders of Scheme Shares whose names appear on the register of Condor Gold at the Scheme Record Time, that is 10.00 p.m. (London time) on the Business Day after the date on which the Scheme is sanctioned by the Court at the Sanction Hearing, will receive 4.0526 New MTL Shares and 9.9p in cash for each Scheme Share held by them on the basis set out in this Part 2 (*Explanatory Statement*). The Scheme is set out in full in Part 4 (*Scheme of Arrangement*) of this Document.

### **3. Cash Confirmation**

The cash consideration payable to Condor Gold Shareholders under the terms of the Acquisition is being 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, in its capacity as financial adviser to MTL, is satisfied that sufficient cash resources are available to MTL to enable it to satisfy in full the cash element of the consideration payable to Condor Gold Shareholders as part of the Fixed Consideration.

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.

### **4. Information on Condor Gold and MTL**

Please refer to paragraphs 7 and 8 of Part 1 (*Letter from the Chair of Condor Gold*) of this Document.

### **5. Condor Gold Meetings**

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and the Condor Gold Shareholders to vote in favour of the special resolution at the separate General Meeting, both of which will be held at the offices of Hill Dickinson LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 6 January 2025. The Court Meeting will start at 10.00 a.m. (London time) on that date and the General Meeting at 10.15 a.m. (London time) or as soon thereafter as the Court Meeting is concluded or adjourned. The Court Meeting is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of Condor Gold Shareholders to enable the Condor Gold Directors to implement the Scheme and to amend the articles of association of Condor Gold as described in paragraph 2 above.

Notices of both the Court Meeting and the General Meeting are set out at Part 11 (*Notice of Court Meeting*) and Part 12 (*Notice of General Meeting*) of this Document. Entitlement to attend and vote at these meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Condor Gold at the Voting Record Time.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and irrespective of whether or not they voted in favour of approving the Scheme at the Court Meeting and the Resolution proposed at the General Meeting).

Condor Gold will announce the details of the votes of the Meetings as required under the Code through a Regulatory Information Service as soon as practicable after the conclusion of the Meetings and, in any event, by no later than 8:00 a.m. (London time) on the Business Day following the Meetings.

Any Condor Gold Shares which MTL, or any other member of the Wider MTL Group (or their respective nominees), may acquire before the Court Meeting will not be Scheme Shares and therefore none of MTL or any other member of the Wider MTL Group (or their respective nominees) will be entitled to vote at the Court Meeting in respect of the Condor Gold Shares held or acquired by them and they will not exercise the voting rights attaching to such Condor Gold Shares at the General Meeting.

#### *Court Meeting*

The Court Meeting has been convened for 10.00 a.m. (London time) on 6 January 2025 to enable the Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each member present in person or by proxy will be entitled to one vote for each Scheme Share held at the Voting Record Time. The approval required at the Court Meeting is a simple majority in number of Scheme Shareholders present and voting in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders present and voting in person or by proxy.

At the Court Meeting, it is particularly important that as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. Scheme Shareholders are therefore strongly urged to complete, sign and return their blue Form of Proxy (or appoint a proxy electronically) or to appoint a proxy through the CREST electronic proxy appointment service (as appropriate) as soon as possible. Doing so will not prevent you from attending and participating in the Meetings, or any adjournment thereof, if you so wish and are so entitled.

You will find the Notice of the Court Meeting in Part 11 (*Notice of Court Meeting*) of this Document.

### *General Meeting*

In addition, the General Meeting has been convened for the same date (to be held immediately after the Court Meeting) to consider and, if thought fit, pass a special resolution to approve:

- a) the authorisation of the Condor Gold Directors to take all such actions as they may consider necessary or appropriate to give effect to the Scheme; and
- b) the amendment of the articles of association of Condor Gold in the manner described in paragraph 2 above.

The special resolution will require votes in favour representing at least 75% of the votes cast at the General Meeting either in person (including by corporate representative) or by proxy. The vote of the Condor Gold Shareholders at the General Meeting will be held by way of a poll. Each holder of Condor Gold Shares who is entered on the register of members of Condor Gold at the Voting Record Time and is present in person or by proxy will be entitled to one vote for each Condor Gold Share so held. You will find the Notice of the General Meeting in Part 12 (*Notice of General Meeting*) of this Document.

### *Entitlement to vote at the Meetings*

Each Scheme Shareholder who is entered in Condor Gold's register of members at the Voting Record Time (expected to be 10.00 p.m. (London time) on 2 January 2025) will be entitled to attend and vote on the Scheme at the Court Meeting and each Condor Gold Shareholder who is entered on Condor Gold's register of members at the Voting Record Time (expected to be 10.00 p.m. (London time) on 2 January 2025) will be entitled to attend and vote on the special resolution to be considered at the General Meeting. If either Meeting is adjourned, only those Condor Gold Shareholders on the register of members at 10.00 p.m. (London time) on the day which is two Business Days before the adjourned meeting will be entitled to attend and vote. Each eligible Condor Gold Shareholder is entitled to appoint a proxy or proxies to attend, speak and, on a poll, to vote instead of him or her. A proxy need not be a Condor Gold Shareholder. Eligible Condor Gold Shareholders who return completed Forms of Proxy (or appoint a proxy electronically) or appoint a proxy through CREST may still attend the Meetings instead of their proxies and vote in person, if they so wish and are entitled to do so.

## **6. Background to and reasons for the Condor Gold Board recommendation**

Information relating to the background to and reasons for the Condor Gold Directors' unanimous recommendation of the Acquisition is set out in paragraph 5 of Part 1 (*Letter from the Chair of Condor Gold*) of this Document and information relating to MTL's intentions with regards to Condor Gold's directors, management, employees, pensions, research and development and locations are set out in paragraph 9 of Part 1 (*Letter from the Chair of Condor Gold*) of this Document.

## **7. Irrevocable undertakings**

Information relating to the irrevocable undertakings which have been received by MTL in respect of Condor Gold Shares is set out in paragraph 6 of Part 1 (*Letter from the Chair of Condor Gold*) of this Document and in paragraph 4 of Part 7 (*Additional Information on the Condor Gold Group and the MTL Group*) of this Document.

## **8. The Condor Gold Directors and the effect of the Scheme on their interests**

The names of the Condor Gold Directors and details of their interests in the ordinary share capital of Condor Gold, and options in respect of such ordinary share capital of Condor Gold, are set out in Part 7 (*Additional Information on the Condor Gold Group and the MTL Group*) of this Document.

Condor Gold Shares held by the Condor Gold Directors will be subject to the Scheme. Particulars of the service contracts (including termination provisions) and letters of appointment of the Condor Gold Directors are set out in paragraph 6 of Part 7 (*Additional Information on the Condor Gold Group and the MTL Group*) of this Document.

Subject to completion of the Acquisition all of Condor Gold's non-executive directors shall stand down as directors of Condor Gold, as is customary for a transaction of this nature. Mark Child, Condor Gold's Chief

Executive Officer, will also step down from the Effective Date. Mr Child may provide consulting services for a limited period following the Effective Date to ensure a smooth transition subject to agreeing mutually acceptable terms.

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.

The Condor Gold Directors currently hold options under the Condor Gold Share Plan, as well as warrants under the Condor Gold Warrant Instrument. As with other participants in the Condor Gold Share Plan and Condor Gold Warrant Instrument, MTL proposes to offer the holders of Condor Gold Options and Condor Gold Warrants the opportunity to exchange their interests for New MTL Options and New MTL Warrants. To the extent that any such exchange offer is not accepted, Condor Gold Options and Condor Gold Warrants that are not exercised or exchanged will lapse to the extent unexercised, in due course, in accordance with their terms, following the Effective Date. The number of New MTL Options and New MTL Warrants to be issued shall be determined in line with the consideration and shall be subject to the same vesting terms and conditions as the existing Condor Gold Options and Condor Gold Warrants.

The effect of the Scheme on the interests of the Condor Gold Directors does not differ from its effect on the like interests of any other Scheme Shareholder.

## **9. Admission to trading of the New MTL Shares, cancellation of admission to trading of Condor Gold Shares and re-registration**

### *Admission to trading of the New MTL Shares*

Application will be made to AIM for admission of the Fixed Consideration New MTL Shares. It is expected that admission will become effective and trading for normal settlement in the New MTL Shares will commence at or shortly after 8.00 a.m. (London time) on or around the first Business Day following the Effective Date.

The ISIN for the New MTL Shares will be GB00B0394F60.

### *Cancellation of admission to trading and re-registration*

Shortly before the Effective Date, an application will be made to the London Stock Exchange for the admission of the Condor Gold Shares to trading on AIM to be cancelled by no later than 8.00 a.m. (London time) on the Business Day following the Effective Date without seeking separate approval of Condor Gold Shareholders under Rule 41 of the AIM Rules. The last time and day of trading in, or for registration of transfers of, and disablement in CREST of Condor Gold Shares is 10.00 p.m. (London time) on the date of the Court Hearing with all trading in Condor Gold Shares suspended on AIM at 7.30 a.m. (London time) on 14 January 2025. It is intended that cancellation of admission to trading of Condor Gold Shares on AIM will take effect by no later than 8.00 a.m. (London time) on the Business Day following the Effective Date, at which point share certificates in respect of Scheme Shares will cease to be valid and entitlements to Scheme Shares held within the CREST system will be cancelled.

Prior to the Effective Date, it is also intended that an application will be made to the TSX to delist the Condor Gold Shares by no later than 4.30 p.m. (Toronto time) on the Business Day immediately prior to the Effective Date. The last day of trading in the Condor Gold Shares on the TSX is expected to be on the date of the Court Hearing and the Condor Gold Shares are expected to be delisted from the TSX on or before the Business Day immediately prior to the Effective Date.

It is also intended that, as soon as possible after the cancellation of trading of Condor Gold Shares on AIM, Condor Gold will be re-registered as a private limited company under the relevant provisions of the Companies Act.

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.

## **10. 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 Acquisition 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.

### 11. Dividend policy for the Combined Group

MTL has not declared or paid any cash dividends in respect of the MTL Shares since its incorporation and MTL does not anticipate paying any cash dividends in the foreseeable future. The Combined Group plans to retain earnings in order to provide funds for the advancement of its projects and future expansion of the business.

### 12. Financial effects of the Acquisition

The following table set outs, for illustrative purposes only and on the bases and assumptions set out in the notes below, the financial effects on the capital value and gross income for a holder of seven thousand seven hundred (7,700) Condor Gold Shares assuming the Scheme becomes Effective and excluding any future payments pursuant to the CVR Consideration:

#### a) Increase in capital value

|  | <b>Notes</b> |                |
|--|--------------|----------------|
| Market value of 31,205 New MTL Shares plus £762.30 in cash | (i)          | £2,540.99      |
| Market value of 7,700 Condor Gold Shares                   | (ii)         | £1,848.00      |
| Increase in capital value                                  | (iii)        | £692.99        |
| Percentage increase in capital value                       | (iv)         | 37.5 per cent. |

- (i) The market value of the New MTL Shares is based on the closing middle-market price of 5.7 pence per MTL Share on 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period).
- (ii) The market value of the Condor Gold Shares is based on 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).
- (iii) In assessing the financial effects of receiving New MTL Shares, no account has been taken of any potential liability to taxation of a Condor Gold Shareholder.
- (iv) (iii) as a proportion of (ii) in percentage terms.

#### b) Gross income

Neither MTL nor Condor Gold has declared or paid any dividends in respect of their most recent financial years ended 31 December 2023 or interim results for the six months ended 30 June 2024. Accordingly, if the Acquisition successfully completes, Condor Gold Shareholders will not receive any dividend from MTL in respect of such reporting periods. It should be noted that MTL has not declared or paid any cash dividends on the MTL Shares since its incorporation and the MTL Board does not anticipate paying any cash dividends in the foreseeable future. The Combined Group plans to retain earnings in order to provide funds for the advancement of its projects and future expansion of the business.

### 13. United Kingdom taxation

The comments set out below summarise certain limited aspects of the UK taxation treatment of Scheme Shareholders under the Scheme and do not purport to be legal or taxation advice to any person or a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and what is understood to be current HM Revenue and Customs (“HMRC”) practice, both of which are subject to change, possibly with retrospective effect. It is intended only for Scheme Shareholders who are resident only in the United Kingdom for tax purposes and who hold their Scheme Shares beneficially as investments. The comments are intended as a general guide and do not deal with certain categories of Scheme Shareholder such as charities, dealers in securities, exempt pension funds, persons who have or could be treated for tax purposes as having acquired their Scheme Shares by reason of their employment, collective investment schemes, insurance companies, temporary non-residents and non-residents carrying on a trade, profession or vocation in the UK. The tax treatment may be different for Scheme Shareholders who acquired their Scheme Shares through the Condor Gold Share Plan or the Condor Gold Warrant Instruments.

The comments do not address any possible tax consequence relating to an investment in New MTL Shares.

References below to “UK Holders” are to Scheme Shareholders who are resident and, in the case of individuals, domiciled or deemed domiciled for the relevant period, solely in the UK for UK tax purposes, who hold their Scheme Shares as an investment (other than where the Scheme Shares are employment-related securities for UK tax purposes or where the Scheme Shares are held in an individual savings account or self-invested personal pension plan) and who are the absolute beneficial owners of their Scheme Shares.

In particular, the following paragraphs do not refer to UK inheritance tax (save to the extent referred to in the section titled 'Other UK tax consequences of the Scheme'). Scheme Shareholders should consult their own professional advisers in relation to any potential UK inheritance tax implications of disposing of the Scheme Shares.

**IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION, AND IN PARTICULAR IF YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.**

#### *UK taxation of chargeable gains*

Subject to the following paragraphs, the transfer of Scheme Shares by UK Holders in exchange for the issue of New MTL Shares should generally be treated as a reorganisation for the purposes of the UK taxation of chargeable gains. On this basis, a UK Holder should not be treated as disposing of their Scheme Shares and instead, the New MTL Shares should be treated for the purposes of UK taxation of chargeable gains as the same asset and as having been acquired at the same time as, and for the same consideration as, the Scheme Shares. A UK Holder who, alone or together with persons connected with the relevant UK Holder, hold more than 5 per cent of the Condor Gold Shares will, pursuant to section 137 of the Taxation of Chargeable Gains Act 1992 ("TCGA") not be eligible for the treatment set out in the above paragraph if the exchange under the Scheme is not effected for *bona fide* commercial reasons or is part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of a liability to capital gains tax or corporation tax. If so, the relevant exchange will be treated for the purposes of UK taxation of chargeable gains as a disposal of the Scheme Shares which, depending on the relevant UK Holder's particular circumstances and subject to any available exemption or relief, may give rise to a chargeable gain or allowable loss. Such UK Holders are advised that no clearance has been sought or is intended to be sought from HMRC under section 138 TCGA that section 137 will not apply in this way. Any such UK Holders are recommended to seek appropriate independent professional advice.

It is anticipated that similar "reorganisation" treatment will be available to Scheme Shareholders in respect of their entitlement to CVR Consideration, on the basis that payments of the CVR Consideration will be settled wholly by way of the issue of either new MTL Shares or loan notes, such that (subject to the provisos set out above) a UK Holder should not be treated as disposing of their Scheme Shares so far as the receipt of the CVR Consideration is concerned.

To the extent that Scheme Shareholders are entitled to a cash payment in respect of their transfer of Scheme Shares, this will be treated as a partial disposal of their Scheme Shares and, depending on Scheme Shareholders' circumstances and subject to any available allowances, exemptions, reliefs or allowable losses (such as the annual exempt amount for individuals), may give rise to a chargeable gain or allowable loss for the purposes of UK taxation on chargeable gains.

#### *Corporate Scheme Shareholders*

Any Scheme Shareholder that is a company subject to corporation tax in the UK in respect of its holding of Scheme Shares and that holds more than 10 per cent of the ordinary share capital of Condor Gold will, if certain conditions are satisfied, be required to apply the "substantial shareholdings exemption" to its disposal of Scheme Shares, in which case the reorganisation treatment described above will not apply to it. The substantial shareholdings exemption applies automatically and in priority to the reorganisation rules, without the need to make a claim, nor is it possible to opt out of the substantial shareholdings exemption where the conditions are satisfied.

Application of the substantial shareholdings exemption would have the effect of exempting from corporation tax what may otherwise constitute a chargeable gain, to the extent that consideration in respect of the Scheme Shares is payable in cash.

#### *UK stamp duty and stamp duty reserve tax (SDRT)*

Any UK stamp duty or SDRT payable in respect of the transfer of the Scheme Shares pursuant to the Scheme will not be payable by the Scheme Shareholders.

### **13.1 Other UK tax consequences of the Scheme**

Scheme Shareholders should be aware that the New MTL Shares may not qualify for business property relief from UK inheritance tax. Scheme Shareholders should consult their own professional advisers in relation to any potential UK inheritance tax implications.

## 13.2 Canadian taxation

The receipt of Fixed Consideration and the CVR Consideration pursuant to the Scheme by a Canadian Condor Gold Shareholder 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. Upon the delisting of the Condor Gold Shares from trading on the TSX, described below, the Condor Gold Shares will cease to be qualified investments under the Income Tax Act (Canada) for trusts governed by Registered Plans. 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 to the delisting of the Condor Gold Shares from trading on the TSX. Each Condor Gold Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Scheme applicable to them.

Other than the above, this Document does not contain a summary of Canadian taxation relevant to Scheme Shareholders. You are strongly advised to consult an appropriate independent professional adviser with respect to Canadian taxation.

## 14. Condor Gold Options and Condor Gold Warrants

The effect of the Scheme on the Condor Gold Options and the Condor Gold Warrants is described in paragraph 11 of Part 1 (*Letter from the Chair of Condor Gold*) of this Document. Holders of Condor Gold Options and Condor Gold Warrants will be contacted separately on or shortly after publication of this Document regarding the effect of the Scheme on their rights under the Condor Gold Share Plan and the Condor Gold Warrant Instrument with details of the arrangements applicable to them.

## 15. Rights attaching to the New MTL Shares

The New MTL Shares will be issued and credited as fully paid and will rank *pari passu* in all respects with those MTL Shares in issue at the time the New MTL Shares are issued pursuant to the Scheme, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. A more detailed summary of the rights attaching to the MTL Shares is provided in Appendix 1 (*Description of MTL Shares*) to this Document.

An application for admission to trading of the New MTL Shares on AIM will be made to the London Stock Exchange conditional on the Scheme becoming Effective. The New MTL Shares will be issued free from all options, liens, charges, encumbrances and other third-party rights and interests of any nature whatsoever and will not be subject to any escrow or lock-in arrangements.

## 16. Offer related arrangements

### **Confidentiality agreements**

Condor Gold and MTL first 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 Acquisition 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 Acquisition. 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 Acquisition; (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 Acquisition 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 Acquisition 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 Resolution(s) at the 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 Acquisition is being implemented by means of a Takeover Offer instead) so as to cause the Acquisition 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 holders of Condor Gold Warrants.

#### **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:

- 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;
- procuring director and officer run-off insurance for the former directors of Condor Gold (to cover the period following the Effective Date);
- general working capital in Nicaragua in line with an agreed budget for December 2024 and January 2025; and
- meeting general corporate, transaction expenses and working capital requirements.

Interest accrues on the principal at a rate of 10 per cent. per annum 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, a Contingent Value Right deed poll was adopted by MTL pursuant to which CVRs were constituted. MTL may elect to satisfy the amounts due to eligible shareholders under the CVRs by the issue of shares in the enlarged MTL Group or pursuant to a loan note instrument dated 4 December 2024 (detailed below in this paragraph 16 of Part 2 of this Document) constituting series A, series B and series C unsecured loan notes of varying maturities to be issued in connection with the Scheme and under the terms of the CVR Deed Poll. Further information about the CVR Deed Poll and the Loan Note Instrument are contained in Part 6 (*Contingent Value Rights and Loan Notes*).



### **Contingent Value Rights**

Pursuant to the terms of the Acquisition, 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 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**”).
- Following consultation, it has been agreed that James McFarlane will act as the representative of CVR Holders (the “**Independent CVR Representative**”) for the purposes of the CVR Deed Poll as from the Effective Date. Mr McFarlane is considered by the parties to have the desired geostatistical knowledge and mining experience as well as extensive experience working under the JORC Code to act in this role. A summary of Mr McFarlane’s skills and experience is set out below:

*James McFarlane is a globally experienced technical mining professional, with a strong background in gold exploration, production and Mineral Resource estimation over a career including senior roles in active mining operations in England, Wales, Scotland, Ireland and Australia, and has also worked as a principal mining consultant across a range of commodities worldwide.*

*He until recently held the role of General Manager for the Europe, Middle East and Africa region for Mining Plus Ltd, a global mining consultancy, whereby he was responsible for ensuring the quality and outputs of a diverse team of mining professionals in alignment with JORC (2012) and associated CRIRSCO reporting standards. He also is actively involved in supporting the highest standards of public reporting of mineral resources and reserves through his position as Chair of the IOM3 advisory committee to PERC, as a member of the PERC finance and regulatory committee and taking an active part in the IOM3 QMR accreditation process as a panel member for application.*

*He holds a MSc from the Camborne School of Mines in Mining Geology (MCSM), is a Chartered Geologist (CGeol), Chartered Engineer (CEng) and Registered Professional Geoscientist in the fields of Mining and Mineral Exploration (RPGeo). James is a Fellow of the IOM3 (FIMMM), Geological Society of London (FGS), the Institute of Quarrying (FIQ) and also a Member of the Australian Institute of Geoscientists (MAIG).*

- 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 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.

**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.**

With regards to the future payment due on the first gold pour from developing a mine and processing plant using ore from La India, 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 Acquisition.

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 this Document.

### **Loan Note Instrument**

On 4 December 2024, a loan note instrument was constituted by MTL pursuant to which 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.

### **MTL Acquisition Loan**

On 28 November 2024, MTL entered into a bridging unsecured loan agreement with Drachs Investments No3 Limited (a private limited company incorporated in Jersey with company number 94979) ("**Drachs**") pursuant to which Drachs agreed to provide a loan to MTL of an amount equal to £5,500,000 (the "**Loan**") (the "**MTL Acquisition Loan Agreement**"). Drachs is a substantial shareholder in MTL and holds approximately 18.37 per cent. of MTL's existing issued ordinary share capital as at the date of this Document.

Pursuant to the terms of the MTL Acquisition Loan Agreement, the Loan is to be utilised in connection with the acquisition of Condor Gold. The Loan carries a fixed interest rate of 10 per cent. per annum which shall accrue daily on the outstanding balance of the Loan. The Loan is unsecured and MTL is required to repay the loan and accrued interest in full by 31 January 2025, or immediately in the event that the Scheme or Takeover Offer is terminated or lapses. Upon the formal confirmation that the Scheme or Takeover Offer has been aborted and is no longer going ahead, the Loan will immediately be cancelled.

MTL can, if it gives Drachs at least 5 business days' notice, prepay the whole or any part of the Loan.

MTL can use the Loan in a single or integral undrawn amounts on any business day until either (1) the Effective Date or (2) the date on which the Scheme lapses or is withdrawn.

To request the loan, MTL must deliver to Drachs a utilisation request in writing in a form acceptable to Drachs by 11.00 a.m. (London time) at least one Business Day prior to the loan being made.

## **17. Overseas Shareholders**

Overseas holders of Condor Gold Shares should refer to Part 9 (*Additional Information for Overseas Shareholders*) of this Document which contains important information relevant to such holders.

## **18. Settlement**

Subject to implementation of the Scheme (and except as provided in relation to Overseas Shareholders (other than Canadian Condor Gold Shareholders)), settlement of the consideration to which any holder of Scheme Shares is entitled under the Scheme will be effected in the manner set out below.

### **Cash component of the Fixed Consideration**

Settlement of the cash component of the Fixed Consideration to which a Scheme Shareholder on the UK Register is entitled will be effected:

- (i) in the case of Condor Gold Shareholders who hold their Scheme Shares in certificated form at the Scheme Record Time, by MTL despatching, or procuring to be despatched, payment (i) if the relevant Scheme Shareholder has set up a standing electronic payment mandate with Computershare Investor Services PLC for the purpose of receiving dividend payments (or otherwise), by way of an electronic payment mandate; (ii) cheque or (iii) otherwise by any other method that the Court and the Panel may allow. All such cash payments shall be paid in pounds sterling and, in the case of a cheque, drawn on a UK clearing bank. All cheques shall be made payable to the Condor Gold Shareholder concerned or, in the case of joint holders, the joint holder whose name stands first in the register of members of Condor Gold in respect of such joint holding at the Scheme Record Time (save that, in the case of joint holders, MTL reserves the right to make the cheque payable to all joint holders); and
- (ii) in the case of Condor Gold Shareholders who hold their Condor Gold Shares in uncertificated form at the Scheme Record Time, by MTL procuring that Euroclear is instructed to create an assured payment obligation in favour of the appropriate payment bank of the persons entitled to the sums payable and in accordance with the CREST assured payment arrangements (as set out in the CREST Manual).

### **New MTL Share component of the Fixed Consideration**

Settlement of the share component of the Fixed Consideration to which a Scheme Shareholder on the UK Register is entitled will be effected:

- (i) in the case of Condor Gold Shareholders who hold their Scheme Shares in certificated form at the Scheme Record Time, by MTL procuring that the New MTL Shares to which such Condor Gold Shareholder is entitled will be issued in certificated form. Definitive certificates for New MTL Shares will be despatched within 14 days from the Effective Date (or such other period as may be agreed between Condor Gold and MTL and approved by the Panel) by first class post (or by such other method as determined by MTL) to the address appearing in the register of members of Condor Gold at the Scheme Record Time or, in the case of joint holders, to the holder whose name stands first in that register in respect of the joint holding concerned. Pending the despatch of share certificates for New MTL Shares, issues of New MTL Shares will be certified against the register of members of MTL; or
- (ii) in the case of Condor Gold Shareholders who hold their Condor Gold Shares in uncertificated form at the Scheme Record Time, by MTL instructing Euroclear, or procuring that Euroclear is instructed, to credit the appropriate stock account in CREST of such Condor Gold Shareholder with such person's entitlement to New MTL Shares as soon as practicable after the Scheme becomes Effective and, in any event, within 14 days of the Effective Date. MTL reserves the right to issue New MTL Shares to any Scheme Shareholders holding their Condor Gold Shares in CREST in the manner referred to in paragraph (i) above if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this paragraph (ii).

### **Consideration where Scheme Shares are held on the Canadian Register**

As noted elsewhere in this Document, Canadian Condor Gold Shareholders generally do not hold their Condor Gold Shares in their own name. Rather, the Condor Gold Shares are noted on the Canadian Register as being registered to a CDS Participant, on behalf of underlying beneficial holders. In Canada, the primary intermediary to which such shares are registered is "CDS & Co.", the registration name for CDS, which acts as nominee for many Canadian brokerage firms. Most Canadian Condor Gold Shareholders are therefore Beneficial Shareholders who are non-registered shareholders.

The aggregate cash component of the Fixed Consideration due to Scheme Shareholders who beneficially hold their Scheme Shares in uncertificated form on the Canadian Register (that is, through CDS) at the Scheme Record Time will be paid by MTL to Computershare Investor Services PLC. As soon as reasonably practicable following receipt of such funds, Computershare Investor Services PLC will arrange for wire transfer payment of such funds to CDS. CDS, through the CDS clearing and settlement system, will in turn electronically credit, in Canadian dollars, to each such beneficial Canadian Condor Gold Shareholder the cash component of the Fixed Consideration due.

Settlement of the share component of the Fixed Consideration (i.e., New MTL Shares) and CVR Consideration to which a Scheme Shareholder who beneficially holds their Scheme Shares in uncertificated form on the Canadian Register (that is, through CDS) at the Scheme Record Time is entitled will be effected as follows. Within 14 days of the Effective Date (or such other period as may be agreed between Condor

Gold and MTL and as approved by the Panel), definitive (physical) certificates representing New MTL Shares and CVRs will be prepared by MTL's registrar and sent by first class post (or such other method as determined by MTL) to the relevant CDS Participants for onward distribution to such beneficial Canadian Condor Gold Shareholders. In the event that a CDS Participant requires revised or additional definitive (physical) certificates, MTL will direct its registrar to generate and deliver such certificates as soon as reasonably practicable.

**Canadian Condor Gold Shareholders whose Condor Gold Shares are registered in the name of an intermediary should contact their intermediary for instructions and assistance with respect to how to receive the definitive certificates representing the Fixed Consideration and CVR Consideration to which they are entitled. Intermediaries should contact CDS to seek instructions with respect to the delivery of the Fixed Consideration and CVR Consideration.**

### **General**

All documents (including share certificates, loan note certificates and CVR certificates) sent to, by, from or on behalf of Scheme Shareholders in accordance with this paragraph 18 of this Part 2 of this Document will be sent entirely at the risk of the person entitled thereto.

Settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms set out in this paragraph 18 of this Part 2 of this Document without regard to any lien, right of set off, counterclaim or analogous right to which MTL may otherwise be, or claim to be, entitled against any Scheme Shareholder.

Fractional entitlements to New MTL Shares for each Scheme Shareholder will be rounded down to the nearest integral number.

## **19. Actions to be taken**

### **Actions to be taken by Condor Gold Shareholders**

The Scheme will require approval at a meeting of Scheme Shareholders convened by order of the Court to be held at the offices of Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW at 10.00 a.m. (London time) on 6 January 2025. The approval required at this meeting is that those voting to approve the Scheme must:

- represent a simple majority in number of those Scheme Shareholders present and voting in person or by proxy; and
- also represent at least 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders present and voting in person or by proxy.

Implementation of the Scheme will also require approval of the Resolution at the General Meeting to be held immediately after the Court Meeting, as described in paragraph 5 above. The approval required for the Resolution to be passed is a vote in favour of not less than 75 per cent. of the votes cast.

The Scheme requires the sanction of the Court at the Court Hearing where Scheme Shareholders may be present and be heard in person or through representation. As soon as practicable following the Court Hearing, Condor Gold will make an announcement through a Regulatory Information Service stating the decision of the Court and including details of whether the Scheme will proceed or has lapsed.

**If the Scheme becomes Effective, it will be binding on all holders of Scheme Shares irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and irrespective of whether or not they voted in favour of approving the Scheme at the Court Meeting and the Resolution proposed at the General Meeting).**

As soon as practicable on the Effective Date, Condor Gold will make an announcement through a Regulatory Information Service stating that the Scheme has become Effective.

### **The documents**

Please check that you have received, or can access online, the following:

- a **BLUE** Form of Proxy for use in respect of the Court Meeting on 6 January 2025;
- a **WHITE** Form of Proxy for use in respect of the General Meeting on 6 January 2025; and
- a pre-paid envelope for use in the UK only for the return of the blue Form of Proxy and the white Form of Proxy.

If you are a Condor Gold Shareholder and you have not received hard copies of, or you have not been able to access online, all of these documents, please contact the shareholder helpline as set out below.

## Forms of Proxy

The blue Form of Proxy is to be used in connection with the Court Meeting and the white Form of Proxy is to be used in connection with the General Meeting. Condor Gold Shareholders are asked to complete and sign both Forms of Proxy and return them in accordance with the instructions printed on them to Condor Gold's registrars, Computershare Investor Services PLC, so as to arrive as soon as possible but in any event at least 48 hours before the relevant meeting (excluding any part of such 48-hour period falling on a day that is not a Business Day).

If the blue Form of Proxy relating to the Court Meeting is not lodged by the relevant time, it may be handed to the Chair of the Court Meeting or to Condor Gold's registrar, Computershare Investor Services PLC, on behalf of the Chair of the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, if the white Form of Proxy is not lodged so as to be received by the time mentioned above and in accordance with the instructions on that Form of Proxy, it will be invalid. The completion and return of either Form of Proxy will not preclude you from attending the Court Meeting or the General Meeting and voting if you so wish.

As an alternative to completing and returning blue and white Forms of Proxy, proxies may be appointed electronically by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions therein. You will need to enter the Control Number, Shareholder Reference Number (SRN) and your PIN which are included on the Forms of Proxy enclosed with this Document and you will immediately be able to vote. Proxy votes should be submitted no later than 48 hours prior to the time set for the Meeting. For an electronic proxy appointment to be valid, the appointment must be received by Computershare Investor Services PLC no later than 10.00 a.m. (London time) on 2 January 2025 for the Court Meeting and 10.15 a.m. (London time) on 2 January 2025 for the General Meeting or, in the case of any adjournment, so as to be received not less than 48 hours before the time and date set for the adjourned Meeting (excluding any part of such 48 hour period falling on a day that is not a Business Day).

In the case of the Court Meeting only, if you have not appointed a proxy electronically by such time, you may complete the blue Form of Proxy and hand it to a representative of Computershare Investor Services PLC, on behalf of the Chair of the Court Meeting or the Chair of the Court Meeting before the start of the Court Meeting and it will still be valid.

Condor Gold Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the Court Meeting and General Meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (ID 3RA10) at least 48 hours before the Court Meeting or the General Meeting, as applicable, excluding any part of such 48 hour period falling on a day that is not a Business Day. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Condor Gold may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.

If you hold your Condor Shares in uncertificated form through CDS, you may vote in accordance with the instructions of your intermediary. Refer to paragraph (d) (Beneficial shareholders on the Canadian Register) of the “To Vote on the Acquisition” section on pages 13 and 14 of this Document.

**At the Court Meeting, it is particularly important that as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders’ opinion. Scheme Shareholders are therefore strongly urged to complete, sign and return their blue Form of Proxy (or appoint a proxy electronically) or to appoint a proxy through the CREST electronic proxy appointment service (as appropriate) as soon as possible.**

#### **Shareholder helpline**

If you have any questions in relation to this Document, the Meetings, or the completion and return of the Forms of Proxy, please call the shareholder helpline operated by Computershare Investor Services PLC on [REDACTED] from overseas). Calls to this number are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice nor provide any advice on the merits of the Scheme and calls may be recorded and monitored for security and training purposes.

#### **20. Further information**

Your attention is also drawn to the further information contained in this Document, including the Conditions and further terms of the Acquisition in Part 3 (*Conditions and Further Terms of the Acquisition*) of this Document. Further information regarding Condor Gold and MTL is set out in Part 7 (*Additional Information on the Condor Gold Group and the MTL Group*) of this Document. Documents published and available for inspection are listed in paragraph 17 of Part 7 (*Additional Information on the Condor Gold Group and the MTL Group*) of this Document.

Yours faithfully,

**H&P Advisory Limited (trading as Hannam & Partners)**



## PART 3 – CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

### Part A – Conditions to the Scheme and the Acquisition

The Acquisition is subject to the terms and conditions set out in this Part 3 of this Document.

#### 1 Long Stop Date

The Acquisition 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.

#### 2 Conditions to the Scheme

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 as set out in this Document (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 Resolution being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment of such meeting; and  
(ii) the 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 as set out in this Document (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 as set out in this Document (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 (*Further Terms of the Acquisition*) of this Part 3 of this Document; and (ii) the requirements of the Panel, MTL and Condor Gold have agreed that the Acquisition 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 the 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 been 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 Acquisition) arising as a result of or in connection with the Acquisition 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 Acquisition 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 Acquisition 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 Acquisition 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 Acquisition 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 Acquisition 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 is otherwise required, or from whom one or more material licences or permissions are required, having given its approval, non-objection or legitimately 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 Acquisition;
  - 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 Acquisition;
  - 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 Acquisition;
  - 3.6.5 make the Acquisition 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 Acquisition 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 Acquisition;
- 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 Acquisition; 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 Acquisition;

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 Acquisition 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 Acquisition 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 Acquisition):
  - 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 Acquisition; 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 Acquisition);

#### **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 Acquisition, 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 Acquisition;

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 Acquisition;

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 Acquisition;

- 3.8.10 other than pursuant to the Acquisition 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 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 Acquisition;
- 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 Acquisition;
- 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 Acquisition;
- 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 Acquisition;
- 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 the 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 Acquisition;

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 Acquisition;

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 Acquisition;

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 Acquisition;

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 Acquisition; 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 Acquisition;

#### **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 the 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 the 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 Acquisition;
- 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 Acquisition;  
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 Acquisition;

**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 Acquisition; 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 ecosystems, 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 Acquisition**

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 (*Conditions to the Scheme and Acquisition*) of this Part 3 of this Document, 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. (London time) 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. Subject to paragraph 3(g) of Appendix 7 to the Code, 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 (*Conditions to the Scheme and Acquisition*) of this Part 3 of this Document 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 Acquisition 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 Acquisition 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 Acquisition. 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 Part 3 above, and, if applicable, any acceptance condition if the Acquisition 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 Acquisition 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 is subject, *inter alia*, to the Conditions and certain further terms which are set out in this Part 3 of this Document and to the full terms which are set out in this 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 Acquisition becomes Effective.
10. If, on or after the date of the 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 Acquisition 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 the Announcement to the consideration payable under the terms of the Acquisition 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 Acquisition.
11. The availability of the Acquisition 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. 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. Except with the Panel's consent, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which MTL may otherwise be, or claim to be, entitled as against such Scheme Shareholder and will be effected in the manner described in this Document.
14. 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 Acquisition 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.
15. 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.
16. 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 set out in this Document. The Offer is 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.
17. This Document does not constitute, or form part of, an offer, offer to acquire, or invitation to purchase Condor Gold Shares or any other securities.
18. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

**PART 4 – SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS  
OF ENGLAND AND WALES  
COMPANIES COURT (ChD)**

**CR- 2024 – 006659**

**IN THE MATTER OF CONDOR GOLD PLC**

**– and –**

**IN THE MATTER OF THE COMPANIES ACT 2006**

**SCHEME OF ARRANGEMENT**

**(under Part 26 of the Companies Act 2006)**

**between**

**CONDOR GOLD PLC**

**and**

**THE HOLDERS OF THE SCHEME SHARES**

**(as hereinafter defined)**

**PRELIMINARY**

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

“**Acquisition**” means the proposed recommended acquisition by MTL of the entire issued ordinary and to be issued share capital of Condor Gold (other than any Excluded Shares), to be effected by the Scheme as described in the Scheme Document (or, should MTL so elect and subject to the consent of the Panel, by means of a Takeover Offer) and where the context admits, any subsequent revision, variation, extension or renewal thereof;

“**Additional Mineral Resource**” means:

- (i) in respect of the First Period, the increase over the Adjusted Mineral Resource (if any) in the Updated MRE prepared at the end of the First Period pursuant to the CVR Deed Poll for the total ounces of contained gold, whether in the measured, indicated or inferred categories, discovered at the Gold Projects; and
- (ii) in respect of the Second Period, the increase (if any) in the Updated MRE obtained in respect of the Second Period pursuant to the CVR Deed Poll for the total ounces of contained gold, whether in the measured, indicated or inferred categories, discovered at the Gold Projects over the higher of (i) the Updated MRE obtained in respect of the First Period pursuant to the CVR Deed Poll, which was applied in determining the Contingent Resource Payment in respect of the First Period; and (ii) the Adjusted Mineral Resource,

subject to a maximum of 800,000 ounces in respect of the First Period and the Second Period together.

“**Adjusted Mineral Resource**” means 3,158,000 ounces of contained gold.

“**Business Day**” means a day (other than a Saturday, Sunday or a public holiday), on which banks in the City of London are open for business generally;

“**Canadian Register**” means that part of the register of members of Condor Gold maintained in Canada on behalf of Condor Gold by the Registrars;

“**Cash Consideration**” means a cash payment of 9.9 pence per Condor Gold Share to be paid pursuant to this Scheme to Scheme Shareholders;

“**CDS**” means The Canadian Depository for Securities Limited;

“**CDS Participant**” means a bank, a trust company, a securities broker, a trustee or other nominee or custodian holding legal title to a security in CDS on behalf of underlying beneficial holders;

“**certificated form**” or “**in certificated form**” means, in relation to a share or other security, a share or other security which is not in uncertificated form (i.e. not in CREST or CDS);

“**Clause**” means a clause of this Scheme;

“**Companies Act**” means the Companies Act 2006, as amended from time to time;

“**Company**” or “**Condor Gold**” means Condor Gold PLC, a public limited company incorporated in England and Wales and registered with number 05587987 and whose registered office is at 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX;

“**Conditions**” mean the conditions to the Acquisition and the implementation of the Scheme as set out in Part 3 of the Scheme Document;

“**Condor Gold Group**” means Condor Gold and its parent and subsidiaries and parent undertakings and subsidiary undertakings from time to time;

“**Condor Gold Shares**” mean ordinary shares of 0.1 pence each in the capital of Condor Gold;

“**Condor Option/Warrant Participants**” means holders of Condor Options/Warrants (as applicable);

“**Condor Options/Warrants**” means the relevant options or warrants to subscribe for Condor Gold Shares held by Condor Option/Warrant Participants, which are to receive appropriate proposals from MTL in accordance with Rule 15 of the Takeover Code;

“**Consideration**” means the Cash Consideration, the Share Consideration and the CVR Entitlement for each Scheme Share, subject to the provisions relating to Restricted Overseas Persons set out herein and to Clause 6 of this Scheme;

“**Contingent Payment**” means a Contingent Resource Payment(s) and/or a Contingent Production Payment (as the context requires).

“**Contingent Production Payment**” means the sum of US\$14,400,000, converted into pounds sterling at the CVR Exchange Rate.

“**Contingent Resource Payment**” means, in respect of a Relevant Period, an amount equal to US\$18 per ounce of contained gold estimated within the Additional Mineral Resource for such period (subject to a maximum of 800,000 ounces in respect of the First Period and the Second Period together), converted into pounds sterling at the CVR Exchange Rate.

“**Contingent Value Right**” or “**CVRs**” means the contingent value rights to be issued to holders of Scheme Shares;

“**Court**” means the High Court of Justice in England and Wales;

“**Court Hearing**” means the hearing by the Court of the application to sanction the Scheme under Part 26 of the Companies Act;

“**Court Meeting**” means the meeting of the Scheme Shareholders to be convened by an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering, and if thought fit, approving this Scheme (with or without amendment) notice of which is set out in Part 11 of the Scheme Document, including any adjournment, postponement or reconvention thereof;

“**Court Order**” means the order of the Court sanctioning this Scheme under section 899 of the Companies Act;

“**CREST**” means the relevant system (as defined in the CREST Regulations in respect of which Euroclear is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;

“**CREST Regulations**” mean the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;

“**CVR Deed Poll**” means the deed poll dated 4 December 2024 made by MTL under which the CVRs were constituted;

“**CVR Entitlement**” has the meaning set out in clause 3(b) of this Scheme;

“**CVR Exchange Rate**” 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.

“**CVR Holder**” means a holder of CVRs (including, if applicable, the Nominee as holder of CVRs on behalf of the Synthetic CVR Holders);

“**CVR Holder Percentage**” means, in respect of a CVR Holder, the amount (A) expressed as a percentage calculated on the basis of:

$$\frac{B}{C}$$

Where:

B = the number of CVRs held by the particular CVR Holder as set out in the register of CVR Holders at the relevant time.

C = the total number of CVRs held by all CVR Holders at the point of original issuance of the CVRs.

**“Effective”** means:

- (i) if the Acquisition is implemented by way of the Scheme, means the Scheme having become effective in accordance with its terms; or
- (ii) if the Acquisition is implemented by way of a Takeover Offer, such offer having become or been declared unconditional in all respects in accordance with its terms and the requirements of the Takeover Code;

**“Effective Date”** means the date on which this Scheme becomes effective in accordance with its terms;

**“Euroclear”** means Euroclear UK & International Limited, a limited liability company incorporated in England and Wales with registered number 02878738;

**“Excluded Share”** means (i) any Condor Gold Share which is controlled by or registered in the name of or is beneficially owned by any member of the MTL Group at the Scheme Record Time and (ii) any Condor Gold Shares held in treasury by Condor Gold at the Scheme Record Time;

**“First Gold Pour”** means the first production of gold by the Condor Gold Group from the processing facilities in respect of the La India Project, following the commissioning of such processing facilities, provided that such event occurs during the Relevant Period.

**“First Payment Date”** means the date falling 15 Business Days after the final day of the First Period.

**“First Period”** means the period commencing on the earlier of (i) the first date on or after the Effective Date upon which a suitable drilling rig has been mobilised to Condor Gold’s La India Project area; and (ii) six months following the Effective Date and ending on the third anniversary of such date;

**“Gold Projects”** means the La India Project, Rio Luna project and Estrella project, as currently held and being developed by the Condor Gold Group;

**“Holder”** means, in respect of Condor Gold Shares, a registered holder of such Condor Gold Shares (and **“Holder”** includes any person entitled by transmission);

**“Independent CVR Representative”** means the independent representative to be appointed under the terms of the CVR Deed Poll to act as the representative of CVR Holders, and which at the date of this Scheme shall be Mr. James McFarlane of Mining Plus;

**“La India Project”** means the Condor Gold Group’s gold project located in the La India gold mining district in North-West Nicaragua covering a total area of 588 km<sup>2</sup>;

**“Latest Practicable Date”** means the close of business on 10 December 2024, being the latest practicable date before publication of the Scheme Document;

**“Loan Note Instrument”** means the deed poll dated 4 December 2024 made by Metals Exploration under which the Loan Notes were constituted;

**“Loan Notes”** the unsecured loan notes constituted by the Loan Note Instrument, which may be issued by MTL to holders of Scheme Shares;

**“New MTL Shares”** means new ordinary shares of £0.0001 each in the share capital of MTL;

**“MTL”** or **“Metals Exploration”** means Metals Exploration PLC, a company incorporated in England and Wales with company number 05098945, whose registered address is 27-28 Eastcastle Street, London, England, W1W 8DH;

**“MTL Group”** means MTL and its parent and subsidiaries and parent undertakings and subsidiary undertakings from time to time;

**“MTL Shares”** means the ordinary shares of £0.0001 each in the capital of MTL;

**“New MTL Shares”** means the new MTL Shares proposed to be allotted and issued to Scheme Shareholders in connection with the Acquisition;

**“Nominee”** means such person or persons as determined by MTL from time to time, which may (other than in respect of New MTL Shares) include MTL;

**“Panel”** means the Panel on Takeovers and Mergers;

**“Payment Date”** means the First Payment Date, the Second Payment Date or the Production Payment Date (as the case may be);

**“Payment Record Date”** means (i) in respect of the First Period, the final day of the First Period; (ii) in respect of the Second Period, the final day of the Second Period; and (iii) in respect of the obligation to pay the Contingent Production Payment, the date upon which First Gold Pour occurs;

**“Production Payment Date”** means the date falling 15 Business Days after the occurrence of the First Gold Pour;

**“Registrar of Companies”** means the Registrar of Companies in England and Wales;

**“Registrars”** means Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS13 8AE;

**“Relevant Period”** means the First Period and/or the Second Period (as the context requires);

**“Restricted Jurisdiction”** means any jurisdiction outside the United Kingdom, where the applicable law prohibits or restricts the allotment, issue or delivery to persons resident in, or nationals or citizens of, such jurisdiction of New MTL Shares, CVRs and/or Loan Notes (as applicable), including where compliance by Condor Gold or MTL (as the case may be) with any governmental or other consent or any registration, filing or other formality would be required in order for any such prohibition or restriction not to apply, but with which Condor Gold or MTL (as the case may be) is unable to comply or compliance with which MTL regards as being unduly onerous;

**“Restricted Overseas Persons”** means Condor Gold 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;

**“Rule 15 Letters”** means the letters to Condor Option/Warrant Participants setting out the details of the appropriate proposals being made by MTL in accordance with Rule 15 of the Takeover Code in connection with their Condor Options/Warrants (as applicable);

**“Scheme”** means this scheme of arrangement under Part 26 of the Companies Act between the Company and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and MTL;

**“Scheme Document”** means the scheme circular dated 11 December 2024 sent by Condor Gold to Condor Gold Shareholders containing, amongst other things, this Scheme, an explanatory statement in compliance with Part 26 of the Companies Act and the notice of the Court Meeting;

**“Scheme Record Time”** means 10.00 pm (London time) on the Business Day after the date on which the Scheme is sanctioned by the Court at the Sanction Hearing;

**“Scheme Shareholders”** mean Holders of Scheme Shares;

**“Scheme Shares”** mean the Condor Gold Shares:

- (i) in issue at the date of this Scheme Document and which remain in issue at the Scheme Record Time;
- (ii) (if any) issued after the date of this Scheme Document and before the Voting Record Time and which remain in issue at the Scheme Record Time; and
- (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or have agreed in writing to be, bound by this Scheme and, in each case, which remain in issue at the Scheme Record Time,

excluding, in each case, any Excluded Shares;

**“Second Payment Date”** means the date falling 15 Business Days after the final day of the Second Period.

**“Second Period”** means the period commencing on the date immediately following the end of the First Period and expiring on the fifth anniversary of the date of commencement of the First Period;

**“Share Consideration”** means 4.0526 New MTL Shares per Scheme Share to be allotted and issued pursuant to this Scheme to Scheme Shareholders;

**“Synthetic CVR Holders”** means Scheme Shareholders who would otherwise be CVR Holders had they not been Restricted Overseas Persons (and as such prohibited under applicable securities laws from being CVR Holders);

**“Takeover Code”** means the UK City Code on Takeovers and Mergers issued by the Panel, as amended from time to time;

**“Takeover Offer”** means subject to the consent of the Panel, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of MTL to acquire the entire issued, and to be issued, ordinary share capital of Condor Gold, and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;

**“UK”** or **“United Kingdom”** means the United Kingdom of Great Britain and Northern Ireland;

**“uncertificated”** or **“in uncertificated form”** means, in relation to a share or other security, a share or other security the title to which is recorded as being held in uncertificated form in (i) CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; or (ii) in CDS;

**“Updated MRE”** means the mineral resource estimate in respect of contained gold discovered at the Gold Projects required to be obtained by MTL in respect of the First Period and the Second Period under the CVR Deed Poll;

**“Voting Record Time”** means 10.00 pm (London time) on the day which is two Business Days prior to the date of the Court Meeting or, if the Court Meeting is postponed or adjourned, 10.00 p.m. (London time) on the day which is two Business Days before the time fixed for any such postponed or adjourned Court Meeting;

**“£”**, **“pence”** or **“sterling”** means the lawful currency of the United Kingdom from time to time; and

**“\$”**, **“US\$”**, **“dollars”** or **“USD”** or are to the lawful currently of the United States of America from time to time.

- (B) In this Scheme, (i) all references to times of day are to London time; and (ii) all references to clauses and sub-clauses are to clauses and sub-clauses of this Scheme. For the purposes of this Scheme, “subsidiary”, “subsidiary undertaking”, “undertaking” and “associated undertaking” have the respective meanings given to them in the Companies Act.
- (C) The issued ordinary share capital of Condor Gold as at the Latest Practicable Date was £2,044.43 divided into 204,442,778 ordinary shares of 0.1 pence each, all of which are credited as fully paid. The Company holds no shares in treasury.
- (D) As at the Latest Practicable Date, no member of the MTL Group is the Holder of, or has any beneficial interest in, any Condor Gold Shares.
- (E) MTL has agreed, subject to the satisfaction or (where applicable) waiver of the Conditions, to appear by counsel at the Court Hearing, to sanction this Scheme, and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to MTL and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.

## THE SCHEME

### 1. Transfer of Scheme Shares

- a. Upon the Effective Date, MTL (and/or its nominees) shall acquire all the Scheme Shares fully paid up with full title guarantee and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights and interests whatsoever and together with all rights existing at the Effective Date or thereafter attaching or accruing to them, including (without limitation) voting rights and the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of value (whether by way of reduction of share capital or share premium account or otherwise) made or paid by reference to a record date falling on or after the Effective Date in respect of the Scheme Shares.
- b. The Scheme Shares shall be transferred to MTL (and/or its nominees) and such transfer shall be effected by means of a form of transfer or instrument or instruction of transfer or by means of CREST and, to give effect to such transfer(s), any person(s) may be appointed by MTL as attorney and/or agent and/or otherwise, and shall be authorised as such attorney and/or agent and/or otherwise on behalf of the relevant Holder of Scheme Shares to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer (whether as a deed or otherwise), or procure the transfer by means of CREST or CDS, of such Scheme Shares and every form, instrument or instruction of transfer so executed shall be as effective as if it had been executed by the Holder or Holders of the Scheme Shares thereby transferred.
- c. With effect from the Effective Date and pending the registration of MTL as the Holder of the Scheme Shares pursuant to Clauses 1a and 1b of this Scheme, each Scheme Shareholder irrevocably:
  - (i) appoints MTL (and/or its nominee(s)) as its/his/her attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights

attached to the Scheme Shares and any or all rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to the Scheme Shares;

- (ii) appoints MTL (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and to do such things, as may in the opinion of MTL be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to the Scheme Shares (including, without limitation, an authority as its/his/her attorney or agent to sign any consent to short notice of any general meeting of the Company and/or any separate class meeting of Condor Gold Shares and on their behalf to execute a form of proxy in respect of such Scheme Shares appointing any person nominated by MTL to attend general meetings of the Company and/or any separate class meetings of Condor Gold Shareholders (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf);
- (iii) agrees to hold any distribution or other benefit accruing or payable on the Scheme Shares on trust for MTL; and
- (iv) authorises and instructs the Company and/or its agents to send to MTL any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of Condor Gold in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of the conversion of their Scheme Shares into certificated form),

such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with the directions of MTL.

## **2. Consideration for the transfer of the Scheme Shares**

- a. In consideration for the transfer of the Scheme Shares to MTL and/or its nominee(s) contemplated in Clause 1 of this Scheme, MTL shall, subject as hereinafter provided, deliver the Consideration to or for the account of each Scheme Shareholder (as appearing on the register of members of Condor Gold at the Scheme Record Time).
- b. If, prior to the Effective Date, any dividend, distribution, or other return of capital or value is declared, made, or paid or becomes payable by Condor Gold, MTL may reduce the Consideration by an amount equal to the aggregate amount of such dividend, distribution or other return of capital or value and the cash element of the Consideration would be reduced first.
- c. If MTL exercises the right referred to in sub-clause 2(b) of this Scheme to reduce the Consideration by all or part of the amount of a dividend and/or other distribution and/or return of capital or value that has not been paid but is payable by reference to a record date prior to the Effective Date:
  - i. holders of Condor Gold Shares appearing on the register of members at the relevant record time as determined by the directors of the Company shall be entitled to receive and retain that dividend and/or other distribution and/or other return of value in respect of the Condor Gold Shares they held at such record time;
  - ii. any reference in this Scheme to the Consideration payable under this Scheme shall be deemed to be a reference to the Consideration as so reduced; and
  - iii. the exercise of such rights shall not be regarded as constituting any revision or modification of the terms of this Scheme.
- d. To the extent that such a dividend or distribution has been declared, paid, made or is payable or will be: (i) transferred pursuant to the Acquisition on a basis which entitles MTL to receive the dividend or distribution and to retain it; or (ii) cancelled, the Consideration will not be subject to any such change.
- e. To the extent that any such dividend, other distribution and/or other return of value is announced, declared, made or is payable and it is: (i) transferred on a basis which entitles MTL (and/or its nominees) to receive the dividend and/or distribution and/or other return of value and to retain it; or (ii) it is cancelled before payment by the Company, the Consideration payable under the terms of this Scheme shall not be subject to change in accordance with sub-clause 2(b) of this Scheme.
- f. All fractional entitlements to New MTL Shares will be disregarded.



### 3. CVRs

- a. In part consideration for the transfer of their Scheme Shares, and subject as herein provided, MTL shall issue CVRs to each Scheme Shareholder (as appearing in the register of members of the Company at the Scheme Record Time) on the basis of one CVR for each Scheme Share that they hold as at the Scheme Record Time.

Subject to Clause 6, each CVR Holder shall (subject to applicable securities laws) be entitled to the CVR Holder Percentage of a Contingent Payment in respect of a Relevant Period (a “**CVR Entitlement**”) to be satisfied by:

- (i) in respect of the Contingent Production Payment, the issue of Loan Notes; and
- (ii) in respect of the Contingent Resource Payments, the issue of Loan Notes or, if MTL so elects upon written notice to the Independent CVR Representative to be provided not less than five (5) Business Days prior to the relevant Payment Date, to be satisfied in full or in part by the issue of New MTL Shares, in the same proportions in respect of each CVR Holder, and on and subject to the terms of the CVR Deed Poll.

Any CVR Entitlement to which a CVR Holder shall become entitled shall be satisfied by MTL by no later than the close of business on the relevant Payment Date by making payment to the CVR Holders on the Register on the relevant Payment Record Date.

Any fractional entitlements in relation to the issue of New MTL Shares and/or Loan Notes will be disregarded.

### 4. Settlement

- a. As soon as practicable after the Effective Date, and in any event not more than 14 days after the Effective Date (or such other period as may be approved by the Panel), MTL shall:

- (iii) in respect of the Cash Consideration:

- A. Subject to Clause 4(a)(i)C, in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, procure that: (a) if the relevant Scheme Shareholder has set up a standing electronic payment mandate with the Company's registrar for the purpose of receiving dividend payments, such payment is made by way of an electronic payment to the account indicated in such standard electronic payment mandate; or (b) otherwise, payment is made by cheque for the sums payable to the persons entitled thereto in accordance with Clause 2 of this Scheme, provided that MTL reserves the right to make arrangements with such Scheme Shareholder to effect electronic payment of such amount instead of paying by cheque. MTL further reserves the right to make payment of the said consideration by any other method approved by the Panel;
- B. in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, instruct, or procure the instruction of, Euroclear to create an assured payment obligation in respect of the sums payable to the Scheme Shareholder in accordance with the CREST assured payment arrangements, provided that MTL reserves the right to make payment of the said consideration by electronic payment or by cheque as aforesaid in sub-clause 4(a)(i)(A) of this Scheme if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this sub-clause 4(a)(i)(B); and
- C. in the case of Condor Gold Shares acquired by Condor Option/Warrant Participants after the making of the Court Order and prior to the Scheme Record Time pursuant to the exercise of options or warrants granted under the Condor Options/Warrants, MTL shall procure that the sums payable in respect of those Condor Gold Shares, to the extent such Condor Gold Shares are Scheme Shares, are settled by such method as shall be determined by Condor Gold (including, but not limited to, procuring that payments are made through payroll (net of any exercise price, income tax and National Insurance contributions) as soon as reasonably practicable after the Effective Date in accordance with the Rule 15 Letters and the rules of the relevant Condor Options/Warrants).

- (iv) in respect of the Share Consideration:

- A. Subject to Clause 4(a)(ii)C, in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, procure that the New MTL Shares to which such Scheme Shareholder is entitled will be issued in certificated form. Definitive certificates for New MTL Shares will be despatched by first class post to the address appearing in

the register of members of Condor Gold at the Scheme Record Time or, in the case of joint holders, to the holder whose name stands first in that register in respect of the joint holding concerned. Definitive certificates will be despatched within 14 days of the Effective Date (or such other period as may be approved by the Panel);

- B. in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, instruct Euroclear, or procure that Euroclear is instructed, to credit the appropriate stock account of such Scheme Shareholder with such person's entitlement to New MTL Shares. MTL reserves the right, however, to settle all or any part of the said consideration referred to in this clause 4(a)(ii)B for all and any Scheme Shareholders in the manner set out in clause 4(a)(ii)A if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this clause 4(a)(ii)B; and
  - C. in the case of Condor Gold Shares acquired by Condor Option/Warrant Participants after the making of the Court Order and prior to the Scheme Record Time pursuant to the exercise of options or warrants granted under the Condor Options/Warrants, MTL shall procure that the New MTL Shares to be issued in respect of those Condor Gold Shares, to the extent such Condor Gold Shares are Scheme Shares, are settled by such method as shall be determined by Condor Gold as soon as reasonably practicable after the Effective Date in accordance with the Rule 15 Letters and the rules of the relevant Condor Options/Warrants.
- (v) in respect of the CVR Entitlements, subject to Clause 6, the CVRs will be issued in certificated registered form to each Scheme Shareholder appearing on the register of members at the Scheme Record Time. MTL shall procure that the CVRs to which Scheme Shareholders are entitled shall be issued and certificates for the CVRs be despatched as soon as practicable after the Effective Date and, in any event, within 14 days of the Effective Date (or such other period as may be approved by the Panel).
- b. With effect from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares shall be removed from CREST in due course.
  - c. All deliveries of notices, cheques or statements of entitlement required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes or by international standard post if overseas (or by such method as may be approved by the Panel) addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of Condor Gold at the Scheme Record Time or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time, and none of Condor Gold, MTL or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this sub-clause 4(c), which shall be sent at the risk of the person or persons entitled thereto. Condor Gold Shareholders who are recorded in the books of Condor Gold's Registrars as "gone away" will not have their cheques issued until they contact Condor Gold's Registrars for security reasons.
  - d. All cheques shall be in Pounds Sterling and drawn on a United Kingdom clearing bank and shall be made payable to the Scheme Shareholder concerned (except that, in the case of joint holders, MTL reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such holding at the Scheme Record Time), and the encashment of any such cheque or the making of an electronic payment in accordance with this Clause 4 shall be a complete discharge of MTL's obligation under this Scheme to pay the monies represented thereby. MTL shall despatch or procure the despatch of cheques, and make electronic payments, within 14 days of the Effective Date (or such other period as may be approved by the Panel).
  - e. If any Scheme Shareholders have not encashed cheques sent to them in accordance with this Scheme within six months of the Effective Date, MTL and the Company shall procure that the Cash Consideration due to such Scheme Shareholders under this Scheme shall be held for such Scheme Shareholders for a period of 12 years from the Effective Date, and such Scheme Shareholders may (subject to the legal requirements of any jurisdiction relevant to such Scheme Shareholder) claim the consideration due to them (plus any interest accrued thereon, but net of any expenses and taxes) by written notice to the Registrars in a form which the Company determines evidences their entitlement to such Cash Consideration at any time during the period of 12 years from the Effective Date.
  - f. In respect of payments made through CREST, MTL shall instruct, or procure the instruction of, Euroclear to create an assured payment obligation in accordance with the CREST assured payment

arrangements within 14 days of the Effective Date (or such other period as may be approved by the Panel). The instruction of Euroclear shall be a complete discharge of MTL's obligation under this Scheme with reference to the payments made through CREST.

- g. Settlement of the Share Consideration shall be made as soon as practicable on or after the Effective Date, and in any event not more than 14 days after the Effective Date (or such other period as may be approved by the Panel).
- h. The New MTL Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing ordinary shares of £0.0001 each in the capital of MTL in issue at the time the New MTL Shares are issued pursuant to the Acquisition, including the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date.
- i. None of Condor Gold, MTL or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this Clause 4, which shall be sent at the risk of the person or persons entitled thereto.
- j. The preceding sub-clauses of this Clause 4 shall take effect subject to any prohibition or condition imposed by law.

#### **5. Certificates representing Scheme Shares and cancellation of CREST or CDS entitlements**

- a. With effect from and including the Effective Date:
  - (i) all certificates representing Scheme Shares shall cease to have effect as documents of title to the shares represented thereby and each Scheme Shareholder shall be bound at the request of the Company to deliver up the same to the Company or to any person nominated by the Company to receive such certificates) for cancellation, or as it may direct, to destroy the same;
  - (ii) the Company shall procure that Euroclear be instructed to cancel or transfer the Holders' entitlements to Scheme Shares in uncertificated form; and
  - (iii) following the cancellation of the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form, the Registrars shall be authorised to rematerialise entitlements to such Scheme Shares.
- b. On or as soon as reasonably practicable after the Effective Date and subject to the completion of such transfers, forms, instruments or instructions as may be required in accordance with Clause 1 of this Scheme (and the payment of any stamp duty thereon if any) appropriate entries will be made in the register of members of the Company to reflect the transfer of the Scheme Shares to MTL and/or its nominee(s).

#### **6. Overseas Shareholders**

- a. The provisions of Clauses 2, 4 and 5 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing:
  - (i) if in the case of any Scheme Shareholder, Condor Gold or MTL reasonably believe or are advised 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 Acquisition (and, as applicable, the CVR Deed Poll and/or the Loan Note Instrument) will be held by the Nominee on behalf of such Restricted Overseas Person, in which event (subject to applicable law and compliance with the Nominee's reasonable requirements):
    - A. in respect of any New MTL Shares, the Nominee shall comply with the instructions of a Restricted Overseas Person (including any Synthetic CVR Holder) in respect of any 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);
    - B. 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;
    - C. 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.

- (ii) 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.

**7. Consideration where Scheme Shares are held on the Canadian Register**

- a. The aggregate cash component of the Fixed Consideration due to Scheme Shareholders who beneficially hold their Scheme Shares in uncertificated form on the Canadian Register (that is, through CDS) at the Scheme Record Time will be paid by MTL to the Registrars. As soon as reasonably practicable following receipt of such funds, the Registrars will arrange for wire transfer payment of such funds to CDS. CDS, through the CDS clearing and settlement system, will in turn electronically credit, in Canadian dollars, to each such beneficial Canadian Condor Gold Shareholder the cash component of the Fixed Consideration due.
- b. Settlement of any New MTL Shares and CVRs to which a Scheme Shareholder who beneficially holds their Scheme Shares in uncertificated form on the Canadian Register (that is, through CDS) at the Scheme Record Time is entitled will be effected as follows. Within 14 days of the Effective Date (or such other period as may be agreed between Condor Gold and MTL and as approved by the Panel), definitive (physical) certificates representing New MTL Shares and CVRs will be prepared by MTL's registrar and sent by first class international post (or such other method as determined by MTL) to the relevant CDS Participants for onward distribution to such beneficial Canadian Condor Gold Shareholders. In the event that a CDS Participant requires revised or additional definitive (physical) certificates in respect of underlying beneficial holders, MTL will direct its registrar to generate and deliver such certificates as soon as reasonably practicable.

**8. Effective Date**

- a. This Scheme shall become effective as soon as a copy of the Court Order shall have been delivered to the Registrar of Companies for England and Wales.
- b. Unless this Scheme has become effective on or before 31 March 2025, or such later date, if any, as may be agreed in writing by Condor Gold and MTL (with the Takeover Panel's consent and as the Court may approve (if such approval(s) are required)), this Scheme shall never become effective.

**9. Modification**

Condor Gold and MTL may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose. Any such modification or addition may require the consent of the Panel.

## **10. Governing Law**

This Scheme is governed by English law and is subject to the exclusive jurisdiction of the Courts of England and Wales. The rules of the Takeover Code apply to this Scheme.

Dated: 11 December 2024

## PART 5 – FINANCIAL INFORMATION ON CONDOR GOLD AND MTL

### 1. Condor Gold financial information

The following sets out the financial information in respect of Condor Gold as required by Rule 24.3 of the Code. The specified sections of the documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this Document pursuant to Rule 24.15 of the Code. The information is available in “read-only” format for printing, reviewing and downloading.

**Information incorporated by reference**

|  | <i>Hyperlink</i>  |
|--|---|
| The consolidated unaudited interim results for the six months ended 30 June 2024   | <a href="https://www.condorgold.com/sites/default/files/interim_reports/Condor%20Interim%20Accounts%20%2030%20June%202024%20FINAL%20270924.pdf">https://www.condorgold.com/sites/default/files/interim_reports/Condor%20Interim%20Accounts%20%2030%20June%202024%20FINAL%20270924.pdf</a> |
| The consolidated audited financial statements for the years ended 31 December 2023 | <a href="https://www.condorgold.com/sites/default/files/annual_reports/Condor%20Gold%20plc%20financials%202023%20160524%20final.pdf">https://www.condorgold.com/sites/default/files/annual_reports/Condor%20Gold%20plc%20financials%202023%20160524%20final.pdf</a>                       |
| The consolidated audited financial statements for the years ended 31 December 2022 | <a href="https://www.condorgold.com/sites/default/files/annual_reports/Financial%20Statement%20for%20Year%20Ended%2031%20December%202022.pdf">https://www.condorgold.com/sites/default/files/annual_reports/Financial%20Statement%20for%20Year%20Ended%2031%20December%202022.pdf</a>     |

### 2. MTL financial information

The following sets out the financial information in respect of MTL as required by Rule 24.3 of the Code. The specified sections of the documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this Document pursuant to Rule 24.15 of the Code. The information is available free of charge in “read-only” format for printing, reviewing and downloading.

**Information incorporated by reference into this Document**

|  | <i>Website address (URL) for download</i>   | <i>Page numbers in reference document</i> |
|--|---|---|
| The consolidated unaudited interim results for the six months ended 30 June 2024   | <a href="https://metalsexploration.com/wp-content/uploads/2024/09/MTL-Interim-Report-Jun2024-final.pdf">https://metalsexploration.com/wp-content/uploads/2024/09/MTL-Interim-Report-Jun2024-final.pdf</a>                         | Webpage                                   |
| The consolidated audited financial statements for the years ended 31 December 2023 | <a href="https://metalsexploration.com/wp-content/uploads/2024/05/2023-Consolidated-Financial-Statements-Final.pdf">https://metalsexploration.com/wp-content/uploads/2024/05/2023-Consolidated-Financial-Statements-Final.pdf</a> | 45 to 94 (both inclusive)                 |

**Information incorporated by reference into this Document**

|  | <b>Website address (URL) for download</b>   | <b>Page numbers in reference document</b> |
|--|---|---|
| The consolidated audited financial statements for the years ended 31 December 2022 | <a href="https://metalsexploration.com/wp-content/uploads/2023/05/2022-Consolidated-Financial-Statements-final-signed.pdf">https://metalsexploration.com/wp-content/uploads/2023/05/2022-Consolidated-Financial-Statements-final-signed.pdf</a> | 44 to 94 (both inclusive)                 |

**3. Effect of Scheme becoming Effective on the MTL Group**

Following the Scheme becoming Effective, the earnings, assets and liabilities of the MTL Group will include the consolidated earnings, assets and liabilities of the Condor Gold Group on the Effective Date.

**4. MTL ratings information**

As at the last Business Day prior to the date of this Document, there were no current ratings or outlooks publicly accorded to MTL or any member of the MTL Group by ratings agencies.

**5. Hard Copies**

Condor Gold will provide without charge to each person to whom a copy of this Scheme Document has been delivered (upon the written or oral request of such person) a hard copy of any document relating to it which is incorporated by reference into this Scheme Document. You may request a hard copy of any such documents by contacting Condor Gold's registrars, Computershare Investor Services PLC, during business hours at The Pavilions, Bridgewater Road, Bristol BS13 8AE, or by telephoning [REDACTED] or by emailing [REDACTED]. You may also request that all future documents, announcements and information in relation to the Acquisition to be sent to you should be in hard copy form. Please note that Computershare Investor Services PLC cannot offer advice on the terms of the Acquisition. 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. Lines are open between 08.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Copies of any document or information incorporated by reference into this Scheme Document will not be provided unless such a request is made.

**6. No incorporation of website information**

Save as expressly referred to in this Document, neither the content of the Condor Gold website, the MTL website nor the content of any website accessible from hyperlinks on the Condor Gold website or the MTL website, is incorporated into, or forms part of, this Document.

## PART 6 – CONTINGENT VALUE RIGHTS AND LOAN NOTES

### A. Particulars of the Contingent Value Rights

#### Particulars of the Contingent Value Rights

##### **General**

Pursuant to the terms of the Acquisition, Scheme Shareholders (other than Restricted Overseas Persons) will receive one Contingent Value Right for each Scheme Share that they hold.

The Contingent Value Rights have been created by a resolution of the MTL Directors and will be constituted on the Effective Date by the CVR Deed Poll executed as a deed by MTL on 4 December 2024. The Contingent Value Rights will be an obligation of MTL pursuant to the CVR Deed Poll.

Scheme Shareholders that are Restricted Overseas Persons will each be entitled to receive payments under the CVR Deed Poll as though the particular Restricted Overseas Person had received one Contingent Value Right for each Scheme Share that they hold, such Scheme Shareholders being known as the Synthetic CVR Holders. In such circumstances if Condor Gold or MTL reasonably believes or is advised that 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 Acquisition (and, as applicable, the CVR Deed Poll and/or the Loan Note Instrument) will be held by the Nominee on behalf of such Restricted Overseas Person, in which event (subject to applicable law and compliance with the Nominee's reasonable requirements):

- A. in respect of any New MTL Shares, the Nominee shall comply with the instructions of a Restricted Overseas Person including any Synthetic CVR Holder) in respect of any 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);
- B. 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; and
- C. 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 Contingent Value Rights will be transferable. However, MTL may refuse to register a transfer of a CVR to a purported transferee if they reasonably believe or are advised that such transferee is a Restricted Overseas Person. No application will be made for the Contingent Value Rights to be listed or dealt in on any stock exchange. The Contingent Value Rights will be governed by the laws of England and Wales and will be issued in certificated form. No interest is payable in respect of the Contingent Value Rights, save for default interest in the event of late payment at a rate equal to the aggregate of 2 per cent. per annum above the base rate of Barclays Bank plc for the time being.

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

##### **Entitlement to payment under the Contingent Value Rights**

The CVRs enable Scheme Shareholders (and the Nominee on behalf of any Restricted Overseas Persons) to receive their respective *pro rata* share of the sterling equivalent (using the CVR Exchange Rate, as defined below) of:

- D. US\$14.4 million following the first production of gold by the Condor Gold Group from the processing facilities in respect of the La India Project, following the commissioning of such processing facilities, provided that this occurs within the five year period from the CVR Commencement Date (as defined below) (the "**First Gold Pour**"), 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
- E. 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 increased by a notional 800,000 ounces of contained gold. MTL, at its sole election, will be able to settle Resource CVR Entitlements by way of a combination of the issue of unsecured Loan Notes and MTL Shares.



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**”).

#### *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 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 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 at the volume weighted average price of an MTL Share for the 30 trading days ending on the relevant record date.

#### *The Production CVR Entitlements*

The Production CVR Entitlements will be issued to CVR Holders within 15 Business Days of the First Gold Pour. 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 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.

#### *Independent CVR Representative*

Pursuant to the CVR Deed Poll, Condor Gold is entitled to appoint one suitably qualified individual (being a geologist having at least ten years’ experience in estimating gold mineral reserves under the JORC Code, which is independent of Condor Gold, the CVR Holders and MTL) to act as the Independent CVR Representative to act on behalf of the CVR Holders for the purposes of any matters in dispute. Following consultation with MTL, Condor Gold has appointed James McFarlane to act as the independent technical expert in accordance with the terms of the CVR Deed Poll and as a representative of CVR Holders (the “**Independent CVR Representative**”).

Prior to the Effective Date, Condor Gold shall be entitled to remove and replace the Independent CVR Representative at its sole discretion with a suitably qualified individual. In the event of any such replacement Condor Gold shall inform MTL of such replacement as soon as is reasonably practicable.

On or after the Effective Date, the CVR Holders shall be entitled to remove and replace the Independent CVR Representative with a suitably qualified individual by way of (amongst other methods) a resolution of the CVR Holders (which resolution relates to both the removal of the Independent CVR Representative and appointment of their replacement) passed by means of a CVR Holders’ special resolution.

The Independent CVR Representative will be responsible for acting as the primary point of contact for the CVR Holders with MTL and any third parties engaged by the Independent CVR Representative to act on behalf of the CVR Holders in respect of any matters in dispute. The obligations of the Independent CVR Representative will be owed to the CVR Holders and not to MTL.

The Independent CVR Representative shall confirm the occurrence of the Mobilisation Date and the occurrence of the First Gold Pour and be invited, and have the right to remotely attend, any relevant technical meetings of the Condor Gold Group in respect of determining drilling targets and expenditures within the Condor Gold Project Areas during the relevant period, in the capacity of an observer. The Independent CVR Representative shall be entitled (but not obliged) at the Independent CVR Representative's sole discretion to consult with individual CVR Holders or seek the direction of the CVR Holders by means of a CVR Holders' majority resolution.

MTL will reimburse the Independent CVR Representative's reasonable and properly incurred costs and expenses and shall indemnify the Independent CVR Representative from and against any claims, demands, actions and losses which he may suffer or incur in connection with the services rendered or duties performed as the Independent CVR Representative. The Independent CVR Representative may appoint such legal, financial, accounting or other third-party adviser as the Independent CVR Representative may reasonably require to advise it in its capacity as such, or to support the Independent CVR Representative in relation to the performance of its responsibilities under this CVR Deed Poll.

#### *MTL Undertakings*

During the term of the CVR Deed Poll, MTL (and shall procure that any relevant member of the Condor Gold Group shall):

- F. carry out a minimum of 40,000m of exploration drilling on the Condor Gold Project Areas during the 5-year period, with such drilling to be conducted in accordance with the exploration and mine development plans from time to time of Condor Gold, as approved by its board of directors;
- G. use commercially reasonable efforts to keep the La India Project mining concessions in good standing under applicable law and not relinquish or surrender any part of the La India Project area except in accordance with a requirement of applicable law or the terms of the relevant concessions; and
- H. not take or omit to take any act, matter or thing the object or intention of which is to avoid or reduce the amount of any Contingent Payment.

### **Further provisions of the CVR Deed Poll**

In addition to those described above, the CVR Deed Poll contains provisions (among other things) to the effect set out below:

#### 1. *Term*

The provisions of the CVR Deed Poll shall remain in force until the first to occur of:

- 1.1 the cumulative aggregate amount paid by MTL to the CVR Holders (as a result of being issued with CVRs) in respect of the CVR Entitlements being equal to the cap of US\$28,800,000 (converted at the Exchange Rate); and
- 1.2 such time immediately following payment of the payment due and payable (if any) under the CVR Deed Poll on the Second Payment Date or, if no such payment is due and payable, 00:00 GMT on the Business Day immediately following the Second Payment Date.

#### 2. *Disputes*

The CVR Deed Poll contains provision under which if the Independent CVR Representative does not agree with the calculation of any CVR Entitlements, the Independent CVR Representative shall notify MTL in order to attempt to resolve, in good faith, the points of disagreement (the “**Matters in Dispute**”), and in the event that the Matters in Dispute are not resolved within 15 Business Days either party may refer such dispute to a suitably qualified technical consultant of at least ten years relevant qualified experience at an independent professional services firm to be agreed between the parties or, in default of agreement, to be appointed by the President at the relevant time of the Institute of Materials, Minerals and Mining acting as appointing authority.

#### 3. *Acceleration*

The relevant CVR Entitlements will become immediately due and payable by MTL to the CVR Holders on written demand signed by and from the Independent CVR Representative or the passing of a CVR Holders’ special resolution if any of the following events occur:

- (a) if MTL defaults in the payment of any CVR Entitlements and the same is not remedied within 20 Business Days after notice in writing of such default has been given to MTL by the Independent CVR Representative requiring MTL to remedy the same;
- (b) if MTL ceases or threatens to cease all or a substantial part of its operations (other than for the purpose of a voluntary reconstruction on terms previously sanctioned by the CVR Holders);
- (c) if MTL is for the purposes of section 123(1) of the Insolvency Act 1986 deemed to be unable to pay its debts; or
- (d) if an order is made or an effective resolution passed for winding up MTL (except a voluntary winding up for the purpose of reconstruction or amalgamation on terms previously sanctioned by the CVR Holders).

#### 4. *Modification of CVR Deed Poll*

The provisions of the CVR Deed Poll and the rights of the CVR Holders are subject to modification, abrogation or compromise by MTL with the sanction of a special resolution of the CVR Holders (being a three-quarters majority). MTL may amend the provisions of the CVR Deed Poll without the consent or sanction of a special resolution of the CVR Holders, if (in the opinion of the MTL Board, acting reasonably) such amendment is of a minor or technical nature or is required to correct a manifest error and provided that no such amendment may be made which would be prejudicial to the interests of the CVR Holders.

#### 5. *Taxation*

Payments made under the CVR Deed Poll will be made after deduction or withholding of any amount required by UK law. No additional amount shall be required to be paid by MTL as a result of or in connection with any withholding or deduction.

### **Risk factors associated with the Contingent Value Rights**

The following are specific risk factors relating to the Contingent Value Rights:

- The payment obligations of MTL with regard to the Contingent Value Rights are unsecured obligations and CVR Holders will rank as unsecured creditors of MTL in the event of the failure of MTL to comply with its obligations to allot and issue MTL Shares, issue Loan Notes and make payments on maturity of the Loan Notes pursuant to the terms of the CVR Deed Poll. The CVR Deed Poll does not contain any limitation on MTL's ability to incur indebtedness, including secured indebtedness, which would rank senior to the Contingent Value Rights. The performance by MTL of its obligations pursuant to the CVR Deed Poll is not guaranteed by any of MTL's subsidiaries or any other person.
- Strand Hanson Limited has not been required to confirm, and has not confirmed, that resources are available to MTL to satisfy payments under the Contingent Value Rights or the Loan Notes and Condor Gold Shareholders will be at risk if, for any reason, MTL is not in a position to meet its obligations.
- If MTL is required by UK law to withhold for tax purposes or otherwise to deduct any amount from a payment to a CVR Holder or a Noteholder, the amount payable to that CVR Holder or Noteholder will be the net amount after such withholding or deduction and MTL will not have any obligation to pay any additional amount to that CVR Holder or holder of a Loan Note ("Noteholder") to make up the withheld or deducted amount.

**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.**

With regards to the future payment due on the first gold pour from developing a mine and processing plant using ore from La India, 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 Acquisition.

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 tax treatment of a person receiving, holding or transferring Contingent Value Rights may vary depending on the particular circumstances of that CVR Holder. CVR Holders who are resident for tax purposes solely in the UK or Canada are referred to Part 8 (*United Kingdom Taxation*) to this Document. CVR Holders who are not resident solely in the UK for tax purposes or who are in any doubt about the tax treatment of the Contingent Value Rights in their particular circumstances, should consult an appropriate independent professional adviser.**

## **B. Particulars of the Loan Notes**

### **General**

The Loan Notes have been created by a resolution of the MTL Directors and will be constituted on the Effective Date by the instrument constituting the Loan Notes (the "**Loan Note Instrument**") executed as a deed by MTL on 4 December 2024. The Loan Notes will be an obligation of MTL pursuant to the Loan Note Instrument.

The Loan Notes will be governed by the laws of England and Wales and will be issued, credited as fully paid, in integral multiples of £1.00 nominal value.

If the laws of any relevant jurisdiction make it illegal for Condor Gold Shareholders to hold Loan Notes or would require any qualification of the Loan Notes under any applicable laws or regulations, they may not be entitled to the Loan Notes or the amounts which may be payable thereon.

The Loan Notes will not be transferable and no application will be made for them to be listed or dealt in on any stock exchange. The Loan Notes will be issued in registered and certificated form.

### ***Further provisions of the Loan Note Instrument***

In addition to those described above, the Loan Note Instrument contains provisions (among other things) to the effect set out below.

#### ***1. Term***

The Loan Notes will be issued in accordance with the terms of the Class I CVRs. The term of the Loan Notes will be six months and one day from the date of issue of the Loan Notes.

#### ***2. Interest***

No interest is payable in respect of the Loan Notes, save for default interest in the event of late payment at a rate equal to the aggregate of 2 per cent. per annum above the base rate of Barclays Bank plc for the time being.

#### ***3. Redemption***

On the expiry of the term of the Loan Notes, MTL will redeem the outstanding Loan Notes at par (less any tax required by law to be withheld or deducted therefrom). A Noteholder may not opt to redeem his Loan Notes in full prior to the expiry of the term. Each Noteholder shall be entitled, by notice, to require MTL to pay any principal amounts due to such Noteholder on a redemption of the Loan Notes in US Dollars rather than in pounds sterling under the procedures set out in the Loan Note Instrument.

#### ***4. Acceleration***

The Loan Notes will become immediately due and payable by MTL to the Noteholders (together with all accrued but unpaid interest thereon (if applicable), less any tax MTL is required by law to deduct or withhold from such interest payment) on written demand from Noteholders holding 75 per cent. or more in nominal value of the Loan Notes if any of the following events occur:

- (a) if MTL defaults in the payment of any repayment of the Loan Notes and the same is not remedied within 20 Business Days after notice in writing of such default has been given to MTL by any Noteholder requiring MTL to remedy the same;
- (b) if MTL ceases or threatens to cease all or a substantial part of its operations (other than for the purpose of a voluntary reconstruction on terms previously sanctioned by the Noteholders);
- (c) if MTL is for the purposes of section 123(1) of the Insolvency Act 1986 deemed to be unable to pay its debts; or
- (d) if an order is made or an effective resolution passed for winding up MTL (except a voluntary winding up for the purpose of reconstruction or amalgamation on terms previously sanctioned by the Noteholders).

#### ***5. Taxation***

Payments made under the terms of the Loan Notes will be made after deduction or withholding of any amount required by law. No additional amount shall be required to be paid by MTL as a result of or in connection with any withholding or deduction.

#### ***6. Modification***

The provisions of the Loan Note Instrument and the rights of the Noteholders thereunder are subject to modification, abrogation or compromise by MTL with the sanction of a special resolution of the Noteholders (being a three-quarters majority). MTL may amend the provisions of the Loan Note Instrument without the consent or sanction of a special resolution of the Noteholders if (in the opinion of the MTL Board, acting reasonably) such amendment is of a minor or technical nature or is required to correct a manifest error and provided that no such amendment may be made which would be prejudicial to the interests of the Noteholders.

A copy of the CVR Deed Poll and the Loan Note Instrument is available free of charge on Condor Gold's website at <https://www.condorgold.com/content/condor-offer> and MTL's website <https://metalsexploration.com/investors/recommended-offer-for-condor-gold-plc>.



## PART 7 – ADDITIONAL INFORMATION ON THE CONDOR GOLD GROUP AND THE MTL GROUP

### 1. Responsibility

- a. The Condor Gold Directors, whose names are set out in paragraph 2a of this Part 7 of this Document, accept responsibility for all the information contained in this Document relating to: (i) Condor Gold and the Condor Gold Group, the opinions of Condor Gold and the Condor Gold Group, the Condor Gold Directors and members of their immediate families, related trusts and persons connected with the Condor Gold Group, (ii) the recommendations and opinions of the Condor Gold Directors relating to the Acquisition contained in Part 1 of this Document and (iii) the Scheme, except for that information for which the MTL Directors accept responsibility relating to MTL Group and the opinions of MTL in accordance with paragraph 1b below. To the best of the knowledge and belief of the Condor Gold Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- b. The MTL Directors, whose names are set out in paragraph 2b of this Part 7 of this Document accept responsibility for the information contained in this Document (including expressions of opinion, as applicable) relating to the MTL Group, themselves, their respective close relatives, related trusts and other connected persons and any person acting, or deemed to be acting in concert with MTL (as such term is used in the Code). To the best of the knowledge and belief of the MTL Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. Directors

- a. The Condor Gold Directors and their respective functions are:

|                      |                        |
|----------------------|------------------------|
| Mark Child           | CEO                    |
| James (“Jim”) Mellon | Non-Executive Chairman |
| Andrew Cheatle       | Non-Executive Director |
| John Ian Stalker     | Non-Executive Director |
| Denham Eke           | Non-Executive Director |

- b. The registered office of Condor Gold, which is also the business address of each of its directors, is 7/8 Innovation Place, Douglas Drive, Godalming, Surrey, England, GU7 1JX. Condor Gold’s company secretary is Kate Doody.

The MTL Directors and their respective functions are:

|                         |                         |
|-------------------------|-------------------------|
| Nicholas von Schirnding | Non-Executive Chairman  |
| Darren Bowden           | Chief Executive Officer |
| David Cather            | Non-Executive Director  |
| Andrew Chubb            | Non-Executive Director  |
| Timothy Livesey         | Non-Executive Director  |
| Robert Marshall         | Non-Executive Director  |
| Steven Smith            | Non-Executive Director  |

The registered office of MTL, which is also the business address of each of the MTL Directors, is 27-28, Eastcastle Street, London, England, W1W 8DH. MTL’s company secretary is MSP Corporate Services Limited.

### 3. Disclosure of interests and dealings

- a. For the purposes of this paragraph 3 and paragraph 4:

**acting in concert** with a party means any other person acting or deemed to be acting in concert with that party for the purposes of the Code and/or the Acquisition;

**arrangement** includes any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;

**close relative** means (i) a person’s spouse, civil partner or cohabitant (ii) a person’s children, parents, brothers, sisters, grandchildren and grandparents, and those of any person described in (i), and (iii) the spouse, civil partner or cohabitant of any person described in (ii);

**control** means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings gives *de facto* control;

**dealing or dealt** includes: (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or of general control of relevant securities; (ii) the taking, granting, acquisition, disposal of, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities; (iii) subscribing or agreeing to subscribe for relevant securities; (iv) the exercise or conversion, whether in respect of any new or existing securities, or any relevant securities carrying conversion or subscription rights; (v) the acquisition, disposal of, entering into, closing out, exercising (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities; (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

**derivative** includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

**disclosure period** means the period which began on 29 November 2023 (the date 12 months before the start of the Offer Period) and ended on 10 December 2024 (being the latest practicable date before the publication of this Document);

a person has an **interest** or is **interested** in relevant securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of those securities (but not if he only has a short position in such securities) and in particular if: (i) he owns them; (ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them; (iii) by virtue of any agreement to purchase, option or derivative, he: (A) has the right or option to acquire them or call for their delivery; or (B) is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or (iv) he is party to any derivative: (A) whose value is determined by reference to their price; and (B) which results, or may result, in his having a long position in them;

**Note 11 arrangement** means any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing therein;

**relevant securities** means relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Condor Gold, including Condor Gold Shares and any securities convertible into or carrying rights to subscribe for Condor Gold Shares, or of MTL, including MTL Shares and any securities convertible into or carrying rights to subscribe for MTL Shares (as applicable); and

**voting rights** means all the voting rights attributable to a company's share capital which are currently exercisable at a general meeting.



**b. Interests in Condor Gold relevant securities**

At the close of business on the Disclosure Date, the Condor Gold Directors (together with their Interested Persons) were interested in, or had a right to subscribe for, the following Condor Gold relevant securities:

| <b>Interests in Condor Gold Shares other than Condor Gold Options and Condor Gold Warrants</b> |   |  |
|--|---|--|
| <b>Name of Condor Gold Director</b>  | <b>Number of Condor Gold Shares held and nature of interest</b> | <b>Percentage of Condor Gold's existing ordinary share capital</b> |
| Jim Mellon   | 53,402,480  | 26.1%  |
| Mark Child   | 4,862,460   | 2.4%   |
| Ian Stalker  | 376,894   | 0.2%   |
| Andrew Cheatle   | 196,432   | 0.1%   |

Notes:

\* Jim Mellon owns a direct and indirect aggregate shareholding of 53,402,480 Condor Gold shares. He directly owns 3,189,883 Condor Gold Shares and is interested in a further 50,212,597 Condor Gold Shares held by Galloway Limited. Galloway Limited is wholly owned by Burnbrae Group Limited which is, in turn, wholly owned by Jim Mellon.

\*\* Promaco Consulting Services Limited, a company beneficially owned by Ian Stalker owns 309,524 Condor Gold Shares. Promaco Limited, a company owned by a trust in respect of which Mr Stalker is a potential beneficiary, is interested in a further 67,370 Condor Gold Shares.

| <b>Interests in Condor Gold Options</b> |  |                        |   |
|---|--|------------------------|---|
| <b>Name of Condor Gold Director</b>     | <b>Number of Condor Gold Shares under option</b> | <b>Grant date</b>      | <b>Exercise price (per Condor Gold Share)</b> |
| James "Jim" Mellon                      | 1,800,000  | 01/06/2020 (300,000)   | £0.42   |
|   |  | 01/06/2021 (400,000)   | £0.48   |
|   |  | 13/09/2022 (300,000)   | £0.285  |
|   |  | 06/07/2023 (300,000)   | £0.23   |
|   |  | 29/05/2024 (500,000)   | £0.28   |
| Mark Child                              | 5,750,000  | 01/06/2020 (1,000,000) | £0.42   |
|   |  | 01/06/2021 (1,250,000) | £0.48   |
|   |  | 13/09/2022 (1,250,000) | £0.285  |
|   |  | 13/09/2022 (1,250,000) | £0.23   |
|   |  | 29/05/2024 (1,000,000) | £0.28   |
| Andrew Cheatle                          | 1,550,000  | 01/06/2020 (300,000)   | £0.42   |
|   |  | 01/06/2021 (300,000)   | £0.48   |
|   |  | 13/09/2022 (300,000)   | £0.285  |
|   |  | 13/09/2022 (300,000)   | £0.23   |
|   |  | 29/05/2024 (350,000)   | £0.28   |
| John Ian Stalker                        | 2,400,000  | 21/11/2019 (100,000)*  | £0.22   |
|   |  | 01/06/2020 (300,000)   | £0.42   |
|   |  | 01/06/2021 (400,000)   | £0.48   |
|   |  | 13/09/2022 (300,000)   | £0.285  |
|   |  | 06/07/2023 (300,000)   | £0.23   |
|   |  | 29/05/2024 (1,000,000) | £0.28   |
| Denham Eke                              | 800,000  | 06/07/2023 (300,000)   | £0.23   |
|   |  | 29/05/2024 (500,000)   | £0.28   |

Note:

\* The five-year exercise period for 100,000 options granted to Ian Stalker expired on 20 November 2024 (five years after the grant date for such options). As Mr Stalker notified Condor Gold in writing of his intention to exercise the options prior to their lapse, but was prevented from exercising the options (due to Condor Gold being in a "close period" under MAR), in accordance with the Condor Gold Share Plan, the exercise period has been extended to a date 30 days after Condor Gold ceased to be in a "close period" under MAR (and therefore have been extended to 1 January 2025 – being 30 days after the commencement of the Offer Period).

| <b>Interests in Condor Gold Warrants</b>                     |   |                   |   |
|--|---|-------------------|---|
| <b>Name of Condor Gold Director</b>                          | <b>Number of Condor Gold Shares under warrant</b> | <b>Grant date</b> | <b>Exercise price (per Condor Gold Share)</b> |
| Jim Mellon (held indirectly through Galloway Limited)        | 892,857   | 17/06/2022        | £0.35   |
| Andrew Cheatle   | 8,929   | 17/06/2022        | £0.35   |
| Mark Child (held indirectly through Brewin Nominees Limited) | 15,000  | 17/06/2022        | £0.35   |

The Condor Gold Directors intend, in respect of their own beneficial holdings, to accept the Acquisition.

**c. Dealings in Condor Gold securities**

During the Disclosure Period the Condor Gold Directors dealt in the following relevant Condor Gold securities:

| <b>Name</b>  | <b>Transaction type</b>                                | <b>Number of relevant securities</b> | <b>Dealing Date</b> | <b>Price per relevant security (p)</b> |
|--|--|--------------------------------------|---------------------|--|
| Andrew Cheatle   | Grant of options to subscribe for shares               | 350,000                              | 29/05/2024          | £0.28 (exercise price)                 |
| Andrew Cheatle   | Issue of new ordinary shares                           | 33,333                               | 15/12/2023          | £0.15                                  |
| Denham Eke   | Grant of options to subscribe for shares               | 500,000                              | 29/05/2024          | £0.28 (exercise price)                 |
| Mark Child   | Exercise of options to subscribe for shares            | 100,500                              | 18/07/2024          | £0.22                                  |
| Mark Child   | Issue of new ordinary shares by way of a bonus payment | 235,294                              | 05/06/2024          | £0.28                                  |
| Mark Child   | Grant of options                                       | 1,000,000                            | 29/05/2024          | £0.28 (exercise price)                 |
| John Ian Stalker   | Grant of options                                       | 1,000,000                            | 29/05/2024          | £0.28 (exercise price)                 |
| Promaco Consulting Services Limited (a company indirectly wholly owned by Ian Stalker) | Issue of new ordinary shares                           | 66,666                               | 15/12/2023          | £0.15                                  |
| James Mellon   | Exercise of options to subscribe for shares            | 300,000                              | 18/07/2024          | £0.22                                  |
| James Mellon   | Grant of options                                       | 500,000                              | 29/05/2024          | £0.28 (exercise price)                 |
| Galloway Limited   | Exercise of warrants to subscribe for shares           | 3,333,332                            | 29/05/2024          | £0.15                                  |
| Galloway Limited   | Exercise of warrants to subscribe for shares           | 6,666,667                            | 15/12/2023          | £0.15                                  |

During the Disclosure Period no persons acting in concert with Condor Gold dealt in any Condor Gold relevant securities.

As at the Disclosure Date, no persons acting in concert with MTL held any interest in, or rights to subscribe in respect of, the relevant securities of Condor Gold.

**d. General**

Save as disclosed in paragraph 3 of Part 7 of this Document::

- (i) Neither Condor Gold, nor any Condor Gold Directors, nor any persons acting in concert with Condor Gold, nor any person with whom Condor Gold or any person acting in concert with Condor Gold had an arrangement of the kind referred to in Note 11 of the definition of “acting in concert” in the Code with any other person in relation to relevant securities of MTL, nor any of the close relatives or related trusts or other Interested Persons of the Condor Gold Directors are interested in, or have a right to subscribe for, or holds a short position in relation to, any MTL relevant securities, nor has any such person dealt in any relevant MTL securities during the Disclosure Period.
- (ii) Save as disclosed above, neither Condor Gold nor any of the Condor Gold Directors, nor any person with whom Condor Gold or any person acting in concert with Condor Gold had an arrangement of the kind referred to in Note 11 of the definition of “acting in concert” in the Code with any other person in relation to relevant securities of Condor Gold, nor any person acting in concert with Condor Gold, is interested in, or has a right to subscribe for, or holds a short position in relation to, Condor Gold relevant securities, nor has any such person dealt in any Condor Gold relevant securities during the Disclosure Period.
- (iii) Neither Condor Gold nor any person acting in concert with Condor Gold has borrowed or lent any Condor Gold relevant securities (save for any borrowed shares which have either been on-lent or sold).
- (iv) Neither Condor Gold nor any person acting in concert with Condor Gold has borrowed or lent any MTL relevant securities (save for any borrowed shares which have either been on-lent or sold).

**e. Interests in MTL securities**

At the close of business on the Disclosure Date, the MTL Directors (together with their Interested Persons) were interested in, or had a right to subscribe for, the following relevant MTL securities:

| <b>Interests in MTL Shares other than MTL Options</b> |   |  |
|---|---|--|
| <b>Name of MTL Director</b>                           | <b>Number of MTL Shares held and nature of interest</b> | <b>Percentage of MTL’s existing issued ordinary share capital*</b> |
| Darren Bowden   | 8,257,355   | 0.47%  |
| Tim Livesey   | 6,600,000   | 0.38%  |
| David Cather  | 6,600,000   | 0.38%  |
| Andrew Chubb  | 4,100,000   | 0.23%  |
| Robert Marshall                                       | 7,820,928   | 0.45%  |

Note:

\* Excluding treasury shares.

| <b>Interests in MTL Options</b> |  |  |                                       |
|---------------------------------|--|--|---------------------------------------|
| <b>Name of MTL Director</b>     | <b>Number of MTL Shares under option</b> | <b>Vesting date</b>  | <b>Exercise price (per MTL Share)</b> |
| Darren Bowden*                  | 15,500,000*                              | 31 December 2025   | £0.0001                               |
| Nick von Schirnding             | 6,600,000                                | 2,200,000 – vested<br>2,200,000 – vest on<br>30 June 2025<br>2,200,000 vest on<br>30 June 2026 | £0.0001                               |

Note:

\* 6,000,000 MTL Options in which Mr Bowden is interested are held by his wife, Karen Bowden. In addition to the number referenced here, pursuant to the terms of the MTL 2022 Management Incentive Plan, Mr Bowden has been awarded additional 6,252,836 MTL Shares. These MTL Shares have not yet been issued to Mr Bowden but Mr Bowden has the ability to call for their issue by giving MTL not less than 10 Business Days' notice at any time prior to the 11 June 2027 subject to an agreed extension in the event that Mr Bowden is prohibited from dealing in MTL Shares at the point at which this time period expires).

As at the last Business Day prior to the date of this Document, MTL had no warrants outstanding.

#### **f. Dealings in MTL securities**

During the Disclosure Period, the MTL Directors dealt in the following MTL relevant securities:

| <b>Name</b>         | <b>Transaction type</b>                     | <b>Number of relevant securities</b> | <b>Dealing Date</b> | <b>Price per relevant security</b> |
|---------------------|---|--------------------------------------|---------------------|------------------------------------|
| David Cather        | Exercise of options to subscribe for shares | 6,600,000                            | 4 April 2024        | £0.0001                            |
| Tim Livesey         | Exercise of options to subscribe for shares | 6,600,000                            | 20 June 2024        | £0.0001                            |
| Andrew Chubb        | Exercise of options to subscribe for shares | 6,600,000                            | 20 June 2024        | £0.0001                            |
| Nick von Schirnding | Grant of options                            | 6,600,000                            | 30 June 2024        | £0.0001                            |
| Andrew Chubb        | Sale of shares                              | 2,500,000                            | 28 October 2024     | £0.0675                            |
| Robert Marshall     | Acquisition of shares                       | 75,319                               | July 2024           | £0.0424                            |
| Robert Marshall     | Acquisition of shares                       | 924,681                              | August 2024         | £0.0487                            |
| Darren Bowden*      | Grant of options                            | 15,500,000                           | 27 August 2024      | £0.0001                            |
| Robert Marshall     | Acquisition of shares                       | 6,820,928                            | October 2024        | £0.0589                            |

\* 6,000,000 MTL Options in which Mr Bowden is interested are held by his wife, Karen Bowden. In addition to the number referenced here, pursuant to the terms of the MTL 2022 Management Incentive Plan, Mr Bowden has been awarded additional 6,252,836 MTL Shares. These MTL Shares have not yet been issued to Mr Bowden but Mr Bowden has the ability to call for their issue by giving MTL not less than 10 Business Days' notice at any time prior to the 11 June 2027 subject to an agreed extension in the event that Mr Bowden is prohibited from dealing in MTL Shares at the point at which this time period expires).

During the Disclosure Period the following persons acting in concert with MTL dealt in MTL relevant securities:

| <b>Name</b>              | <b>Transaction type</b> | <b>Number of relevant securities</b> | <b>Dealing Date</b> | <b>Price per relevant security</b> |
|--------------------------|-------------------------|--------------------------------------|---------------------|------------------------------------|
| MTL (Luxembourg) S.a.r.l | Sale of shares          | 50,369,098                           | 23 April 2024       | £0.0468                            |
| MTL (Luxembourg) S.a.r.l | Sale of shares          | 167,163,045                          | 20 June 2024        | £0.0500                            |
| MTL (Luxembourg) S.a.r.l | Sale of shares          | 100,000,000                          | 08 October 2024     | £0.0600                            |

#### **g. General**

- (i) Neither MTL, nor any MTL Directors, nor any persons acting in concert with MTL, nor any person with whom MTL or any person acting in concert with MTL had an arrangement of the kind referred to in Note 11 of the definition of "acting in concert" in the Code with any other person in relation to relevant securities of MTL, nor any of the close relatives or related trusts or other Interested Persons of the MTL Directors are interested in, or have a right to subscribe for, or holds a short position in relation to, any Condor Gold relevant securities, nor has any such person dealt in any Condor Gold relevant securities during the Disclosure Period.
- (ii) Save as disclosed above, neither MTL nor any of the MTL Directors nor any person with whom MTL or any person acting in concert with MTL had an arrangement of the kind referred to in Note 11 of the definition of "acting in concert" in the Code with any other person in relation to relevant securities of MTL nor any person acting in concert with MTL is interested in, or has a right to subscribe for, or

holds a short position in relation to, MTL relevant securities, nor has any such person dealt in any MTL relevant securities during the Disclosure Period.

- (iii) Neither MTL nor any person acting in concert with MTL has borrowed or lent any Condor Gold relevant securities (save for any borrowed shares which have been either on-lent or sold).
- (iv) Neither MTL nor any person acting in concert with MTL has borrowed or lent any MTL relevant securities (save for any borrowed shares which have been either on-lent or sold).

#### 4. Irrevocable undertakings

- a. MTL or persons acting in concert with it have procured irrevocable commitments from the Condor Gold Directors and certain Condor Gold Shareholders to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Resolution relating to the Acquisition at the General Meeting. Such irrevocable commitments are in respect of the following Condor Gold relevant securities:

| Name of registered holder  | Name of beneficial owner (if different from registered holder) | Number of relevant Condor Gold Shares | % of existing issued Condor Gold Shares (approx.) | Relevant number of Condor Gold securities under option / warrants |
|--|--|---------------------------------------|---|---|
| Jim Mellon (held in CREST by Vidacos Nominees Limited)                         | Jim Mellon   | 3,189,883                             | 1.6%  | 1,800,000   |
| Galloway Limited* (held by various nominee companies)                          | Galloway Limited   | 50,212,597                            | 24.6%   | 892,857   |
| Mark Child (held in CREST by Brewin Nominees Limited)                          | Mark Child   | 4,862,460                             | 2.4%  | 5,750,000   |
| Andrew Cheatle   | N/A  | 196,432                               | 0.1%  | 1,550,000   |
| Ian Stalker  | Promaco Limited  | 67,370                                | 0.03%   | 2,400,000   |
| Promaco Consulting Services Limited** (held in CREST by Citibank Nominees Ltd) | Promaco Consulting Services Limited                            | 309,524                               | 0.2%  | N/A   |

Notes:

\* Galloway Limited is wholly owned by Burnbrae Group Limited which is, in turn, wholly owned by Jim Mellon.

\*\* Promaco Consulting Services Limited is a company indirectly owned by Ian Stalker.

- b. The irrevocable commitment to vote, or procure a vote, in favour of the Scheme at the Court Meeting and the Resolution relating to the Acquisition at the General Meeting given by the Condor Gold Directors and Condor Gold Shareholders listed above extend to any Condor Gold Shares arising from the exercise of any Condor Gold Options or Condor Gold Warrants they hold.
- c. The irrevocable undertakings from the Condor Gold Directors and Condor Gold Shareholders listed above will cease to be binding only if:
  - (i) MTL 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 Takeover Offer is announced by MTL in accordance with Rule 2.7 of the Takeover Code at the same time;
  - (ii) this Document is not published within 28 days of the day of release of the Announcement (or within such longer period as Condor Gold and MTL may agree with the Panel's consent);
  - (iii) the Scheme (or Takeover Offer, as applicable) is withdrawn or lapses, save for where the Scheme is withdrawn or lapses solely as a result of MTL exercising its right to implement the Acquisition by way of a Takeover Offer rather than the Scheme or where it is replaced by a new or revised scheme of arrangement (or Takeover Offer, as applicable) is; or
  - (iv) immediately if any competing offer for the entire issued and to be issued share capital of Condor Gold becomes unconditional (if implemented by way of Takeover Offer) or becomes effective (if implemented by way of a scheme of arrangement).
- d. Condor Gold and MTL have procured irrevocable commitments from certain MTL Directors and certain MTL Shareholders to vote, or procure a vote, in favour of the MTL Resolution(s) to be proposed at the MTL General Meeting. Such irrevocable commitments are in respect of the following relevant MTL securities:

| <b>Name of registered holder</b> | <b>Name of beneficial owner (if different from registered holder)</b> | <b>Number of relevant MTL Shares</b> | <b>% of existing MTL Shares in issue (approx.)</b> | <b>Relevant number of MTL securities under option / warrants</b> |
|----------------------------------|---|--------------------------------------|--|--|
| Darren Bowden                    | N/A   | 8,257,355                            | 0.47%  | 15,500,000*  |
| David Cather                     | N/A   | 6,600,000                            | 0.8%   | N/A  |
| Tim Livesey                      | N/A   | 6,600,000                            | 0.38%  | N/A  |
| Drachs Investments No3 Limited   | N/A   | 317,532,143                          | 18.37%   | N/A  |
| MTL (Luxembourg) S.a.r.l         | Nicholas Candy  | 651,000,000                          | 37.66%   | N/A  |

\* 6,000,000 options in which Mr Bowden is interested are held by his wife, Karen Bowden.

## **5. Market quotations**

- a. The following table sets out the middle market quotations for Condor Gold Shares and MTL Shares derived from AIM, for the first trading day in each of the six months immediately prior to the date of this Scheme Document, for 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period) and for the Disclosure Date (the latest practicable date before the publication of this Document):

| Relevant date    | Condor Gold share price (p) | MTL share price (p) |
|------------------|-----------------------------|---------------------|
| 10 December 2024 | 29.00                       | 5.10                |
| 2 December 2024  | 28.75                       | 5.20                |
| 29 November 2024 | 24.00                       | 5.70                |
| 1 November 2024  | 20.25                       | 6.40                |
| 1 October 2024   | 21.75                       | 5.10                |
| 2 September 2024 | 23.75                       | 5.50                |
| 1 August 2024    | 22.75                       | 4.60                |
| 1 July 2024      | 24.25                       | 4.85                |

## 6. Service contracts and appointment letters of the Condor Gold Directors

Save as referred to below, no contract of service between any Condor Gold Director and Condor Gold or any of its subsidiaries has been amended or replaced within the six months preceding the date of this Document.

### a. *Executive Director*

Mark Child, being the only executive director of Condor Gold, entered into a service contract with Condor Gold dated 6 September 2022 as amended by letter dated 15 February 2024 pursuant to which he is appointed as the Chief Executive Officer of Condor Gold. Mark receives a salary of £200,000 per annum and is entitled to such annual bonus as the Condor Gold Board may determine (up to a maximum of 100% of his salary at such time), with Condor Gold having the right to pay up to 75 per cent. in fully paid-up ordinary shares. The parties agreed in the amendment letter dated 15 February 2024 that the payment of £2,083.33 per month would be deferred from 1 January 2024 for 12 months and will only become payable upon the earlier of (a) a change of control of the company (b) a sale by the company of all or substantially all of its business and assets or (c) the board decides to re-instate the payment of the deferred fees. Mark also receives an annual grant of share options awarded to key employees under the Condor Gold Share Plan, private healthcare, travel insurance and COVID emergency evacuation cover. Mark is entitled to sick pay of three months' full pay, 25 working days' holiday per annum (excluding UK public holidays) and is covered by a directors' and officers' liability insurance policy during the appointment and for 6 years following termination of his appointment. Mark's appointment shall continue subject to the terms of the service agreement until terminated in writing by either party giving 12 months' prior notice in writing, save that in the event of termination following a change of control the notice period shall be increased to 24 months. Condor Gold may terminate without notice on customary grounds justifying summary dismissal. Mark is subject to a confidentiality undertaking without limitation in time, intellectual property rights vest in Condor Gold, and he is subject to non-competition and non-solicitation restrictive covenants for a period of up to 12 months after the termination of his service agreement (less any period spent on 'garden leave').

As agreed with Condor Gold in the amendment letter, upon a change of control event occurring, Mark will be entitled to receive a bonus calculated based on the consideration of the transaction, subject to a minimum transaction value of £0.40 per Condor Gold Share. If the total Consideration realised by Condor Gold Shareholders pursuant to the Acquisition is greater than £0.40 per Condor Gold Share Mr Child will receive a £500,000 bonus. 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 33p per Condor Gold Share. The maximum potential CVR Consideration payable pursuant to the Offer amounts to US\$28.8 million (approximately £22.6 million at the Exchange Rate), representing 11.1p per Condor Gold Share. Accordingly, the Fixed Consideration and the Maximum CVR Consideration, in aggregate, amounts to approximately £90.1 million, representing approximately 44.1p per Condor Gold Share. If the Consideration received by Condor Gold shareholders is less than £0.40, other than at the discretion of Condor Gold, Mark is not entitled to any bonus as a result of the change of control.

### b. *Non-executive Directors*

The Non-Executive Director appointments are subject to the provisions of the Condor Gold articles of association, continued satisfactory performance, and re-election by the Condor Gold Shareholders at the Company's annual general meetings. The appointments can be terminated in accordance with the Condor Gold articles of association, or by 1 month's or 2 months' written notice.

The Non-Executive Directors shall be paid fees up to the date of termination of their appointment as a director. Condor Gold's non-executive directors are typically expected to serve two three-year

terms, subject to renewal by the Board and re-election at the annual general meetings. The appointment may be terminated by a payment in lieu of notice.

The Non-Executive Directors are entitled to an annual (gross) fee, payable monthly in arrears. The Non-Executive Directors are also entitled to reimbursement for all reasonable and properly documented expenses incurred in the performance of their duties.

The Non-Executive Director letters of appointment contain confidentiality restrictions, and certain letters of appointment contain post-termination restrictions of up to 24 months' duration on competing with Condor Gold.

Each of the Non-Executive Directors' letters of appointment has been amended so that each director's salary payment of £2,083.33 per month would be deferred from 1 January 2024 for 12 months and will only become payable upon the earlier of: (a) a change of control of the company (b) a sale by the company of all or substantially all of its business and assets or (c) the board decides to re-instate the payment of the deferred fees.

The table below sets out key individual terms of the Non-Executive Directors:

| <b>Name</b>          | <b>Title</b>           | <b>Commencement Date</b>                                       | <b>Fee (per annum)</b> | <b>Termination</b> |
|----------------------|------------------------|--|------------------------|--------------------|
| James ("Jim") Mellon | Non-Executive Chairman | 6 April 2011 (appointed to act as chairman on 11 October 2022) | £25,000                | 2 months' notice   |
| Denham Eke           | Non-Executive Director | 22 December 2022   | £25,000                | 1 month's notice   |
| Andrew Cheatle       | Non-Executive Director | 14 December 2017   | £25,000                | 1 month's notice   |
| John Ian Stalker     | Non-Executive Director | 8 October 2019   | £25,000                | 1 month's notice   |

- c. Save as disclosed, none of the directors' contracts referred to above have been entered into or amended within six months preceding the date of this Document.

## **7. Offer related arrangements**

### *a. 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 Acquisition 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 Acquisition. 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 agreements shall cease 12 months after the date of the agreement.

### *b. 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 Acquisition; (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 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 Acquisition by way of the Scheme, subject to MTL's right to switch to an 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 Acquisition 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 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 Shareholders vote on the 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 Acquisition is being implemented by means of a Takeover Offer instead) so as to cause the Acquisition 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 holders of Condor Gold Warrants. The Cooperation Agreement is governed by the laws of England and Wales.

*c. 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:

- 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;
- procuring director and officer run-off insurance for the former directors of Condor Gold (to cover the period following the Effective Date);
- general working capital in Nicaragua in line with an agreed budget for December 2024 and January 2025; and
- meeting general corporate, transaction expenses and working capital requirements.

Interest accrues on the principal at a rate of 10 per cent. per annum 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.

*d. MTL Acquisition Loan Agreement*

On 28 November 2024, MTL entered into a bridging unsecured loan agreement with Drachs Investments No3 Limited (a private limited company incorporated in Jersey with company number 94979) ("**Drachs**") pursuant to which Drachs agreed to provide a loan to MTL of an amount equal to £5,500,000 (the "**Loan**") (the "**MTL Acquisition Loan Agreement**"). Drachs is a substantial shareholder in MTL and holds approximately 18.37 per cent. of MTL's existing issued ordinary share capital as at 3 December 2024 (being the last Business Day before the date of the Announcement).

Pursuant to the terms of the MTL Acquisition Loan Agreement, the Loan is to be utilised in connection with the acquisition of Condor Gold. The Loan carries a fixed interest rate of 10 per cent. per annum which shall accrue daily on the outstanding balance of the Loan. The Loan is unsecured and MTL is required to repay the loan and accrued interest in full by 31 January 2025, or immediately in the event that the Scheme or Takeover Offer is terminated or lapses. Upon the formal confirmation that the Scheme or Takeover Offer has been aborted and is no longer going ahead, the Loan will immediately be cancelled.

MTL can, if it gives Drachs at least 5 Business Days' notice, prepay the whole or any part of the Loan.

MTL can use the Loan in a single or integral undrawn amounts on any Business Day until either (1) the Effective Date or (2) the date on which the Scheme lapses or withdrawn. To request the loan, MTL must deliver to Drachs a utilisation request in writing in a form acceptable to Drachs by 11.00 a.m. (London time) at least one Business Day prior to the loan being made.

e. *CVR Deed Poll*

On 4 December 2024, a Contingent Value Right deed poll was adopted by MTL pursuant to which CVRs were constituted. MTL may elect to satisfy the amounts due to eligible shareholders under the CVRs by the issue of shares in the enlarged MTL Group or pursuant to a loan note instrument dated 4 December 2024 (detailed below in this Part 7 of this Document) constituting series A, series B and series C unsecured loan notes of varying maturities to be issued in connection with the Scheme and under the terms of the CVR Deed Poll. A more detailed summary of the CVR Deed Poll is contained at Part 6 (*Contingent Value Rights and Loan Notes*) of this Document.

f. *Loan Note Instrument*

On 4 December 2024, a loan note instrument was constituted by MTL pursuant to which 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.

*g. 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:

- 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;
- procuring director and officer run-off insurance for former directors of Condor Gold (to cover the period following the Effective Date);
- general working capital in Nicaragua in line with an agreed budget for December 2024 and January 2025; and
- meeting general corporate, transaction expenses and working capital requirements.

US\$700.00 was advanced to Condor Gold on 9 December 2024.

Interest accrues on the principal at a rate of 10 per cent. per annum 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.

*h. Proposed appointment of Jim Mellon as a director of MTL*

Shortly following the Effective Date, it is intended that 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.

## **8. Cash Confirmation**

The cash consideration payable to Condor Gold Shareholders under the terms of the Acquisition is being financed through a combination of MTL's cash reserves and a £5.5 million MTL Acquisition Loan. Strand, in its capacity as financial adviser to MTL, is satisfied that sufficient cash resources are available to MTL to enable it to satisfy in full the cash element of the consideration payable to Condor Gold Shareholders as part of the Fixed Consideration.

Strand 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.

## **9. Material contracts**

### ***Condor Gold***

- a. Except as set out in paragraph 7 and this paragraph 9a of this Part 7 of this Document, neither Condor Gold nor any of its subsidiaries has entered into any material contract outside the ordinary course of business since 29 November 2022 (the date two years before the commencement of the Offer Period):

**(i) Deed relating to the assignment of rights of the mining concession "Espinito-Mendoza" and amendment to the agreement of promise of assignment of rights of the mining concession "Espinito-Mendoza" – 10 June 2024**

On 10 June 2024, Condor Gold and Empresa Minera La Mestiza, Sociedad Anónima entered into a Contract of Ratification and Recognition of the Contract of Assignment of Rights of the Mining Concession "Espinito-Mendoza" dated 11 November 2011 and of the Amendment to the Contract of Promise to Assign Rights of the Mining Concession "Espinito-Mendoza" dated 3 March 2016. It was agreed that a final payment of US\$110,000, 15 per cent. of which would be withheld for the capital gains tax payable, would be paid by Condor Gold in settlement of the litigation between the parties. The final payment was made in June 2024. This deed is governed by the laws of the Republic of Nicaragua.

**(ii) Consignment Agreement dated 5 March 2024**

On 5 March 2024 (“**CA Effective Date**”), Condor Gold and A.M. King Industries, Inc. (“**A.M. King**”) entered into a consignment agreement for a period of 12 months from the CA Effective Date pursuant to which A.M. King agreed to provide services in connection with sales, marketing and other services for the disposition of assets relating to a sag mill (“**CA Assets**”). In consideration of A.M. King’s services, it was agreed that Condor Gold would pay A.M. King a 15 per cent. commission on the sale of the CA Assets and a 7.5 per cent. commission if the sag mill is sold to a particular entity such sale being managed by A.M. King.

The agreement is governed by the laws of California and the federal laws of the United States are applicable. Any disputes arising from the agreement shall be resolved by the court in California, United States.

**(iii) Private Placing December 2023**

In December 2023, Condor Gold entered into various placing letters in respect of a fundraising arranged by SP Angel and subscription agreements to raise £851,999 via the issue of 5,679,994 new ordinary shares at £0.15 per new ordinary share, principally to existing shareholders and by a number of direct subscriptions arranged by the company. The placing letters and subscription agreements contain standard acknowledgements and warranties and are governed and construed by the laws of England.

**(iv) Open Offer and Placing December 2022**

Condor Gold raised gross proceeds of approximately £2.3 million through the issue of a total of 15,161,373 new ordinary shares at £0.15 each pursuant to an open offer to qualifying shareholders and a placing.

A circular was published by Condor Gold on 5 December 2022 in respect of the open offer pursuant to which qualifying shareholders were offered on a basis of one new ordinary share for every six existing ordinary shares held on 1 December 2022. Condor Gold announced on 21 December 2022 that it had received applications for 12,156,374 open offer shares.

Condor Gold entered into subscription agreements pursuant to which the remaining 3,004,999 shares were subscribed by direct investors with the company. The subscription agreements contain standard acknowledgements and warranties and are governed and construed by the laws of England.

**(v) Convertible Loan Note Instrument dated 25 November 2022**

On 25 November 2022, Condor Gold entered into a convertible loan note instrument (“**CLN**”) pursuant to which £1,017,000 unsecured fixed rate convertible loan notes were created (the “**Loan Notes**”). The proceeds of subscription for the Loan Notes were used to fund Condor Gold’s working capital and capital expenditure requirements.

Under the terms of the CLN, an interest rate of 17 per cent. per annum applied on the outstanding Loan Notes and any Loan Notes not converted in accordance with the terms of the CLN would be redeemed at the principal amount on the redemption date, being 12 months after the date of issue. The CLN is governed and construed in accordance with the laws of England.

Condor Gold announced on 28 November 2022 that the Loan Notes issued pursuant to the CLN had been converted into 6,666,666 new ordinary shares of Condor Gold at the open offer price of 15 pence each and an additional 74,922 new ordinary shares of Condor Gold had been issued to Galloway Limited in satisfaction of accrued interest.

**(vi) Warrant Instrument dated 25 November 2022**

On 25 November 2022, Condor Gold, by resolution of the board and in connection with a private placing and open offer, authorised the constitution of warrants to subscribe for up to 16,666,666 ordinary shares in the capital of Condor Gold at the higher of (i) par value of the shares issued as at the exercise date and (ii) £0.15 subject to the terms and conditions of the warrant instrument executed on 25 November 2022 (the “**November 2022 Warrant Instrument**”).

Condor Gold announced on 4 July 2023 that Galloway Limited had sent Condor Gold a notice for the exercise of warrants which resulted in the issue of 6,666,667 new ordinary shares at an issue price of £0.15 each for a total consideration of £1 million.

Condor Gold further announced on 5 December 2023 that Galloway Limited had sent Condor Gold a notice for the exercise of warrants which resulted in the issue of 6,666,667 new ordinary shares at an issue price of £0.15 each for a total consideration of £1 million.

Condor Gold further announced on 23 May 2024 that Galloway Limited had sent Condor Gold a notice for the exercise of warrants which resulted in the issue of 3,333,332 new ordinary shares at an issue price of £0.15 each for a total consideration of £499,999.80.

There are no outstanding warrants under the November 2022 Warrant Instrument.

**(vii) Warrant Instrument dated 17 June 2022 and amended on 21 December 2022**

On 10 June 2022, Condor Gold, by a resolution of the board and in connection with a private placing, authorised the constitution of warrants to subscribe for up to 9,000,000 ordinary shares in the capital of Condor Gold at £0.35 per share subject to the terms and conditions of the warrant instrument executed on 17 June 2022 and amended on 21 December 2022 (the “**June 2022 Warrant Instrument**”). There are 5,803,570 warrants outstanding issued pursuant to the June 2022 Warrant Instrument (the “**Warrants**”). The Warrants vested on 17 June 2022, being the date on which they were issued, and will expire on 17 June 2025.

**MTL**

- b. Except as set out in paragraph 7 and this paragraph 9b of this Part 7 of this Document, neither MTL nor any of its subsidiaries has entered into any material contract outside the ordinary course of business since 29 November 2022 (the date two years before the commencement of the Offer Period);

**(i) YMCS and YMCP Share Purchase Agreement**

On 11 January 2024, MTL entered into a conditional share purchase agreement with (1) Darren Bowden and Lorne Harvey (as “**YMCP Sellers**”) and (2) Amber Harvest Investments Pte. Ltd. (a company incorporated under the laws of Singapore with registered number 202119251C) and Lorne Harvey (as “**YMCS Sellers**”) (the YMCP Sellers and the YMCS Sellers, together the “**Sellers**”) pursuant to which MTL agreed to purchase (or procure the purchase by one or more wholly owned subsidiaries of MTL) and the Sellers agreed to sell (and procure the sale of by certain other minority selling shareholders) of:

- A. 72.5 per cent of the issued share capital of Yamang Mineral Corp. (a company incorporated in the Republic of the Philippines with registered number 2021110032359-05) (“**YMCP**”) from the YMCP Sellers; and
- B. the entire issued share capital of Yamang Mineral Corp Pte. Ltd. (a company incorporated in the Republic of Singapore with registered number 202234802N) (“**YMCS**”) from the YMCS Sellers,

(the “**YMCS and YMCP Share Purchase Agreement**”). YMCS and YMCP together with its subsidiary Yamang Mineral Abra Corporation, a company incorporated in the Republic of the Philippines with registered number 2022100073782-13 (the “**YMC Group**”), are a Philippines-focussed gold and copper explorer, which holds the Abra Tenement. The Abra Tenement covers an area of 16,200 hectares in Luzon, Republic of the Philippines approximately 200km north of the Company’s Runruno Mine in the Cordillera region.

The aggregate consideration payable to pursuant to the YMCS and YMCP Share Purchase Agreement by MTL was US\$1.6 million in cash and the issue of options to subscribe for up to 41 million MTL Shares at a nominal value of £0.0001 per MTL Share pursuant to (i) the Metals Exploration plc Long Term Incentive Plan (“**LTIP**”) and/or (ii) certain individual option agreements that were entered into between MTL and certain of the selling shareholders who were not eligible to participate in the LTIP. Pursuant to the YMCS and YMCP Share Purchase Agreement, the Sellers provided certain customary warranties to MTL for a transaction of this nature, including warranties confirming the Sellers’ authority to enter into the agreement, ability to complete the transaction and title to the shares in YMCP and YMCS being sold, as well as customary business warranties in respect of YMCP, YMCS and the Abra Tenement. The acquisition completed on 28 August 2024 following the satisfaction of all conditions to the agreement.

**(ii) Share Buy Back Agreement**

On 19 June 2024, MTL entered into a conditional buy back agreement with Runruno Holdings Limited (a private limited company incorporated and registered in Jersey with company number 107417) (“**RHL**”) to effect an off-market buy back by MTL of 393,513,302 MTL Shares (the “**RHL Shares**”) held by, or on behalf of, RHL (the “**Buy Back Agreement**”). The RHL Shares were acquired for 5 pence per RHL Share over three tranches. The aggregate consideration payable under the terms of the Buy Back Agreement was £19,675,665.10. The purchases under the Buy Back were effected over three separate tranches, from MTL’s accumulated cash and distributable reserves at such time,

as follows: (a) 203,640,000 RHL Shares for a consideration of £10,182,000.00, within the 5 Business Days immediately following the requisite shareholder approval for the Buy Back having been granted; (b) 94,936,651 RHL Shares for a consideration of £4,746,832.55, on or before 30 August 2024; and (c) 94,936,651 RHL Shares for a consideration of £4,746,832.55, on or before 30 September 2024. Once purchased by MTL, the RHL Shares were held in treasury.

**(iii) Production Fee Deed**

On 19 June 2024, MTL's subsidiary, FCF Minerals Corporation (a company incorporated under the laws of the Republic of the Philippines with company number A200118080) ("**FCF**") entered into a production fee deed (the "**Production Fee Deed**") with Runruno Holdings Limited (a private limited company incorporated and registered in Jersey with company number 107417) ("**RHL**"). MTL and MTL's subsidiary Metals Exploration Pte. Ltd (a company incorporated in Singapore with company number 201332521K) ("**MEPL**") are parties to the Production Fee Deed in their capacity as guarantors of the obligations of FCF.

Pursuant to the Production Fee Deed, FCF agreed to pay to RHL a production fee of US\$164 per ounce of gold produced at the Runruno contract area on any production from 1 May 2024 that exceeds 204,269 ounces (being equal to approximately 105 per cent. of the current forecast for production from such date on the basis of the MTL Group's life of mine plan for the Runruno mine) during the term of the agreement. Any such Production Fee that becomes due will be paid quarterly in arrears. FCF agreed to pay the Production Fee to RHL in consideration for the termination of the MTL Group's revolving credit facility dated 24 October 2020 and entered into between (amongst others) MTL, FCF, RHL and MTL (Luxembourg) S.à r.l. (a limited liability company incorporated in Luxembourg and registered with the Luxembourg trade and companies register under number B 186657).

The term of the Production Fee Deed commenced upon the termination of the RCF and continues for an initial term of five years from the date of the agreement, and thereafter shall automatically be extended for successive two-year periods, unless there have been no active mining operations within the Runruno contract area during the last one year of the initial term or throughout such additional term, as applicable. The obligations of FCF are guaranteed by MTL and MEPL and the Production Fee Deed contains certain reporting requirements, independent verification and audit rights which are common for an agreement of this nature.

## 10. Concert parties

- a. In addition to the Condor Gold Directors, the persons who, for the purposes of the Code, are acting, or deemed to be acting, in concert with Condor Gold in respect of the Acquisition are:

| <u>Party</u>             | <u>Type</u>     | <u>Registered Office</u>                            | <u>Relationship with Condor Gold</u>                            |
|--------------------------|-----------------|---|---|
| Beaumont Cornish Limited | Limited company | Building 3, 566 Chiswick High Road, London W4 5YA   | Nominated Adviser and Rule 3 Adviser to Condor Gold             |
| H&P Advisory Limited     | Limited company | 7-10 Chandos Street, London, United Kingdom W1G 9DQ | Financial Adviser to Condor Gold in relation to the Acquisition |

- b. In addition to the MTL Directors, the persons who, for the purposes of the Code, are acting, or deemed to be acting, in concert with MTL in respect of the Acquisition are:

| <u>Party</u>             | <u>Type</u>     | <u>Registered Office</u>                            | <u>Relationship with MTL</u>   |
|--------------------------|-----------------|---|--|
| Strand Hanson Limited    | Limited company | 26 Mount Row, London W1K 3SQ                        | Financial Adviser to MTL in relation to the Acquisition                                      |
| MTL (Luxembourg) S.à.r.l | Limited company | 5, rue Heienhaff, L-1736, Senningerberg, Luxembourg | Shareholder of MTL holding interests in excess of 30% of MTL's issued ordinary share capital |

## 11. National Law

The Scheme shall be governed by and construed in accordance with English law. The English courts shall have exclusive jurisdiction for determining any matter which may arise under or in connection with the Scheme.

## 12. Post-offer undertaking or post-offer intention statement

No statements in this Document constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

## 13. Ratings and outlooks

There are no current credit ratings or outlooks by any ratings agencies that have been publicly accorded to either Condor Gold or MTL.

## 14. Condor Gold's fees and expenses

The aggregate fees and expenses expected to be incurred by Condor Gold in connection with the Acquisition are approximately £1,397,000 (excluding applicable VAT and disbursements save where otherwise stated). The following are estimates expected to comprise the aggregate figure:

|     |  |          |
|-----|--|----------|
| (a) | Financial and corporate broking advice | £590,000 |
| (b) | Legal advice                           | £675,000 |
| (c) | Accounting advice                      | £22,000  |
| (d) | Public relations advice                | £Nil     |
| (e) | Other professional services            | £90,000  |
| (f) | Other costs and expenses               | £20,000  |

## 15. MTL's fees and expenses

The aggregate fees and expenses expected to be incurred by MTL in connection with the Acquisition are approximately £1,434,000 (excluding applicable VAT and disbursements save where otherwise stated). The following are estimates expected to comprise the aggregate figure:

|     |  |          |
|-----|--|----------|
| (a) | Financial and corporate broking advice | £525,000 |
| (b) | Legal advice                           | £800,000 |
| (c) | Accounting advice                      | £Nil     |
| (d) | Public relations advice                | £Nil     |
| (e) | Other professional services            | £59,000  |

- (f) Other costs and expenses £50,000

## 16. General

- a. Save as disclosed elsewhere in this Document, no agreement, arrangement or understanding (including any compensation arrangement) exists between MTL or any party acting in concert with MTL and any of the directors, recent directors, shareholders or recent shareholders of MTL or any person interested or recently interested in shares of Condor Gold, having any connection with or dependence on the Acquisition.
- b. Save for the irrevocable undertakings described in paragraphs 4a. and 4d. of this Part 7 of this Document neither:
- (i) MTL, nor any person acting in concert with MTL; nor
  - (ii) Condor Gold, nor any person acting in concert with Condor Gold,
- has any arrangement (including any indemnity or option arrangement), agreement or understanding, formal or informal, of whatever nature relating to Condor Gold relevant securities or MTL relevant securities, which may be an inducement to deal or refrain from dealing, with any other person.
- c. There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Condor Gold Shares to be acquired pursuant to the Acquisition will be transferred to any person, but MTL reserves the right to transfer any such shares to any member of the MTL Group.
- d. Save as disclosed in this Document, there have been no significant changes in the financial or trading position of the Condor Gold Group since 31 December 2023 (the date to which the last audited accounts of the Condor Gold have been prepared) or 30 June 2024 (the date on which its interim results were published).
- e. Save as disclosed in this Scheme Document, there have been no material changes in the financial or trading position of the MTL Group since 31 December 2023 (the date to which the last unaudited quarterly results of the MTL Group have been prepared) or 30 June 2024 (the date on which its interim results were published).
- f. The emoluments of the MTL Directors will not be varied as a consequence of the Acquisition or by any other associated transaction.
- g. BCL has given and not withdrawn its written consent to the issue of this Document with the references to its name, and it has given and has not withdrawn its written consent to the inclusion of its reports and opinions, each in the form and context in which they are included.
- h. Hannam has given and not withdrawn its written consent to the issue of this Document with the reference to its name, and it has given and has not withdrawn its written consent to the inclusion of its reports and opinions, each in the form and context in which they are included.
- i. Strand has given and not withdrawn its written consent to the issue of this Document with the references to its name, and it has given and has not withdrawn its written consent to the inclusion of its reports and opinions, each in the form and context in which they are included.
- j. Save with the consent of the Panel, settlement of the consideration to which any Condor Gold Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which MTL may otherwise be, or claim to be, entitled as against such Condor Gold Shareholder.
- k. MTL confirms that there is no agreement or arrangement to which MTL is a party which relates to the circumstances in which it, may or may not, invoke a condition to the Scheme.

## 17. Documents available on websites

Copies of the following documents will be made available on the Company's website at <https://www.condorgold.com/content/condor-offer> and MTL's website at <https://www.metalexploration.com/investors/recommended-offer-for-condor-gold-plc/> promptly during the period from the date on which this Document is published up to and including the Effective Date (or the date on which the Scheme lapses):

- a. the Announcement;
- b. this Document and the Forms of Proxy;
- c. any announcements issued by the Company in connection with the Scheme;
- d. the articles of association of Condor Gold;



- e. the articles of association of Condor Gold as proposed to be amended by the special resolution to be proposed at the General Meeting;
- f. the articles of association of MTL;
- g. the Confidentiality Agreement;
- h. the Cooperation Agreement;
- i. the MTL Acquisition Loan;
- j. the CVR Deed Poll;
- k. the Loan Note Instrument;
- l. the Interim Loan Agreement;
- m. the published unaudited consolidated interim results of Condor Gold for the period to 30 June 2024 and the published audited consolidated accounts of Condor Gold for the two financial years ended 31 December 2022 and 31 December 2023. These accounts have been incorporated into this Document by reference in accordance with Rule 24.15 of the Takeover Code;
- n. the published unaudited consolidated interim results of MTL for the period to 30 June 2024 and the published audited consolidated accounts of the MTL Group for the two financial years ended 31 December 2022 and 31 December 2023. These accounts have been incorporated into this Document by reference to the above website in accordance with Rule 24.15 of the Takeover Code;
- o. the irrevocable undertakings to referred to in paragraph 4 of this Part 7 of this Document; and
- p. the letters of consent referred to in paragraphs 16g, 16h and 16i of this Part 7 of this Document; and
- q. this Document.

#### **18. Sources of information and bases of calculations**

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

- a. The fully diluted in-the-money ordinary share capital of 217,234,278 Condor Gold Shares comprises:
  - (i) 204,442,778 Condor Gold Shares in issue as at 3 December 2024 (being the last Business Day prior to the date of the Announcement); and
  - (ii) 12,791,500 in-the-money options outstanding under the Condor Gold Share Plan as at 3 December 2024 (being the last Business Day prior to the date of the Announcement).
- b. The Fixed Consideration value of approximately £67.5 million for the entire issued share capital of Condor Gold is based on:
  - (i) 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
  - (ii) the consideration of 4.0526 New MTL Shares plus a cash sum of 9.9p for each Condor Gold Share.
- c. 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.
- d. The Maximum Potential Consideration of £90.1 million is equal to the sum of the Fixed Consideration and the Maximum CVR Consideration (at the Exchange Rate).
- e. As at the close of business on the last Business Day prior to the 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.
- f. 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 commencement of the Offer Period.

- g. Unless otherwise stated, all prices for Condor Gold Shares and MTL Shares are closing middle market quotations derived from data provided by Bloomberg for the particular date(s) concerned.
- h. The average prices (including VWAPs) have been derived from Bloomberg data for the time periods stipulated and have been rounded to one decimal place.
- i. 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 the Condor Gold Group for the six-month period ended 30 June 2024.
- j. Unless otherwise stated, the financial information of MTL is extracted (without material adjustment) from (i) the annual report and audited accounts of the MTL Group for the 12 months ended 31 December 2023; (ii) the unaudited interim results of the MTL Group for the six-month period ended 30 June 2024; or (iii) the unaudited quarterly results of the MTL Group 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.
- k. All information relating to Condor Gold and MTL has been provided by persons duly authorised by the Condor Gold Board and the MTL Board respectively.
- l. Certain figures included in this document 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.

## PART 8 – UNITED KINGDOM TAXATION

### UNITED KINGDOM

Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of the UK, should consult his or her professional advisers.

The comments set out below summarise certain limited aspects of the UK taxation treatment of Scheme Shareholders under the Scheme and do not purport to be legal or taxation advice to any person or a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and what is understood to be current HM Revenue and Customs (“HMRC”) practice, both of which are subject to change, possibly with retrospective effect. It is intended only for Scheme Shareholders who are resident only in the United Kingdom for tax purposes and who hold their Scheme Shares beneficially as investments. The comments are intended as a general guide and do not deal with certain categories of Scheme Shareholder such as charities, dealers in securities, exempt pension funds, persons who have or could be treated for tax purposes as having acquired their Scheme Shares by reason of their employment, collective investment schemes, insurance companies, temporary non-residents and non-residents carrying on a trade, profession or vocation in the UK. The tax treatment may be different for Scheme Shareholders who acquired their Scheme Shares through the Condor Gold Share Plan or the Condor Gold Warrant Instruments.

The comments do not address any possible tax consequence relating to an investment in New MTL Shares.

References below to “UK Holders” are to Scheme Shareholders who are resident and, in the case of individuals, domiciled or deemed domiciled for the relevant period, solely in the UK for UK tax purposes, who hold their Scheme Shares as an investment (other than where the Scheme Shares are employment-related securities for UK tax purposes or where the Scheme Shares are held in an individual savings account or self-invested personal pension plan) and who are the absolute beneficial owners of their Scheme Shares.

In particular, the following paragraphs do not refer to UK inheritance tax (save to the extent referred to in the section titled ‘Other UK tax consequences of the Scheme’). Scheme Shareholders should consult their own professional advisers in relation to any potential UK inheritance tax implications of disposing of the Scheme Shares.

**IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION, AND IN PARTICULAR IF YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.**

#### 1. Introduction

Under the Scheme, UK Holders will be entitled to receive in respect of each Scheme Share held at the Scheme Record Time:

- £0.099 (9.9 pence) in cash;
- 4.0526 New MTL Shares; and
- 1 Contingent Value Right.

The tax treatment of each UK Holder under the Scheme for the purposes of the UK taxation will depend on the individual circumstances of that UK Holder.

#### 2. Taxation of Chargeable Gains

##### (A) Receipt of cash consideration for Condor Gold Shares on the Effective Date

To the extent that Scheme Shareholders are entitled to a cash payment in respect of their transfer of Scheme Shares, this will be treated as a partial disposal of their Scheme Shares and, depending on Scheme Shareholders’ circumstances and subject to any available allowances, exemptions, reliefs or allowable losses (such as the annual exempt amount for individuals), may give rise to a chargeable gain or allowable loss for the purposes of UK taxation on chargeable gains.

##### Individuals

Subject to any available exemptions, reliefs or allowances, capital gains arising on a disposal of Condor Gold Shares by an individual UK Holder will be subject to UK capital gains tax at the rate of 24 per cent (other than to the extent that the UK Holder is a basic rate taxpayer in which case an 18 per cent rate may apply). The capital gains tax annual exempt amount may be available to individual UK Holders to offset against chargeable gains realised on the part disposal of the Condor Gold Shares. This annual exempt amount is £3,000 for the 2024-2025 tax year.

### Corporation tax payers

To the extent a UK Holder within the charge to UK corporation tax receives cash in respect of their Condor Gold Shares, that UK Holder will be treated as making a part disposal of Condor Gold Shares for that cash which may, depending on the UK Holder's circumstances (including the UK Holder's base cost in their holding of Condor Gold Shares and the availability of any exemptions, reliefs or allowable losses), give rise to a liability to UK corporation tax on chargeable gains.

The current rate of corporation tax is 25 per cent.

### **(B) Receipt of New MTL Shares**

Subject to the comments made below, the receipt of New MTL Shares by UK Holders pursuant to the Scheme should be treated as an exchange of securities for the purposes of section 135 of the Taxation of Chargeable Gains Act 1992 ("**TCGA**"). This means that the UK Holders should not be treated as disposing of the proportion of their Scheme Shares which are exchanged for New MTL Shares and, instead, the New MTL Shares received by them should be treated for UK tax purposes as the same asset, acquired at the same time as the Scheme Shares in respect of which they are issued as consideration.

In the case of UK Holders who alone, or together with persons connected with them, hold 5 per cent. or more of the Scheme Shares, such "rollover" treatment will apply only if the provisions of section 137(1) of the TCGA do not prevent it (exchange must be for *bona fide* commercial purposes and not as part of a scheme for the avoidance of UK tax). No clearance has been sought from HMRC confirming that section 137(1) TCGA should not prevent the rollover treatment. If the Scheme is not treated as an exchange of securities, UK Holders would be treated for the purposes of taxation on chargeable gains as having disposed of their holding of Scheme Shares in consideration of the issue to them of the New MTL Shares pursuant to the Scheme.

### Future disposals

A disposal or deemed disposal of New MTL Shares by a UK Holder, who is (at any time in the relevant tax year in the UK) resident in the UK for tax purposes, may give rise to a chargeable gain or an allowable loss for the purposes of taxation of chargeable gains in the UK, depending on the UK Holder's circumstances and subject to any available exemption or relief. The gain will be calculated as the difference between the sale proceeds and any allowable costs and expenses, including the base cost of the New MTL Shares (which would equal the original base cost in the Scheme Shares where rollover treatment applies).

Scheme Shareholders who are not resident in the UK for tax purposes but who carry on a trade, profession or vocation in the UK through a branch, agency or fixed place of business in the UK may be liable to UK taxation on chargeable gains on any gain on a disposal or deemed disposal of their New MTL Shares, if those New MTL Shares are or have been held, used or acquired for the purposes of that trade, profession or vocation or for the purposes of that branch, agency or fixed place of business.

### Individuals

The amount of capital gains tax, if any, payable by a UK Holder will depend on his or her own personal tax position. No tax should be payable on any gain realised on the disposal if the amount of the net chargeable gains realised by a UK Holder, when aggregated with other net gains realised by that UK Holder in the year of assessment (and after taking account of allowable losses), does not exceed the annual exemption (the annual exemption for the tax year ending 5 April 2025 is £3,000. Broadly, at current rates, any gains in excess of this amount will be taxed at a rate of 18 per cent. for a taxpayer paying tax at the basic rate and 24 per cent. for higher and additional rate taxpayers. Where the gains of a basic rate taxpayer subject to capital gains tax exceed the unused part of their basic rate band, that excess will be subject to tax at the higher (currently 24 per cent.) rate.

Scheme Shareholders who are not resident in the UK for tax purposes but who carry on a trade, profession or vocation in the UK through a branch, agency or fixed place of business in the UK may be liable to UK taxation on chargeable gains on any gain on a disposal or deemed disposal of their New MTL Shares, if those New MTL Shares are or have been held, used or acquired for the purposes of that trade, profession or vocation or for the purposes of that branch, agency or fixed place of business.

A Scheme Shareholder who is an individual and who acquires New MTL Shares whilst a resident of the UK but who subsequently ceases to be resident for tax purposes in the UK for a period of five years or less and who disposes of the New MTL Shares during that period may be liable, on his or her return to the UK, to capital gains tax (subject to any available exemption or relief).

### Corporation tax payers

A gain on the disposal or deemed disposal of New MTL Shares by a Scheme Shareholder within the charge to UK corporation tax will form part of the Scheme Shareholder's profits chargeable to corporation tax at the applicable rate (being 19 per cent. where the relevant Scheme Shareholder has profits under £50,000,

25 per cent. Where the relevant Scheme Shareholder has profits over £250,000 and, irrespective of the foregoing, 20 per cent. where the relevant Scheme Shareholder is a unit trust or open-ended investment company).

### **(C) UK Holders receiving Contingent Value Rights**

It is anticipated that the Contingent Value Rights should be treated as earn-out rights for the purposes of section 138A of the TCGA; no clearance has been obtained from HMRC to confirm this.

To the extent, therefore, that a UK Holder receives Contingent Value Rights in exchange for their Condor Gold Shares and does not hold (either alone or together with persons connected with them) more than 5 per cent of, or of any class of, shares in or debentures of Condor Gold, that UK Holder will not be treated as having made a disposal of Condor Gold Shares. Instead, the Contingent Value Rights should be treated as the same asset as those Condor Gold Shares, and as acquired at the same time and for the same consideration as those Condor Gold Shares. Please see below for the tax treatment of any disposal of the Contingent Value Rights or the eventual redemption or disposal of the Loan Notes.

UK Holders who, alone or together with connected persons, hold more than 5 per cent of Condor Gold, or of any class of shares in or debentures of Condor Gold, may be eligible for the treatment described in the preceding paragraph only if the transaction is effected for *bona fide* commercial reasons and not for tax avoidance purposes pursuant to section 137 of the TCGA. Such UK Holders are advised that no clearance has been sought from HMRC under section 138 of the TCGA that section 137 will not apply to prevent the treatment described in the preceding paragraph.

The treatment above will not apply if a UK Holder makes an election under section 138A(2A) of the TCGA. Any such election may be made:

- (a) by a UK Holder within the charge to UK capital gains tax, at any time on or before the first anniversary of the 31 January immediately following the end of the tax year in which the Effective Date occurs; and
- (b) by a UK Holder within the charge to UK corporation tax on chargeable gains, at any time within the period of two years from the end of the accounting period of that UK Holder in which the Effective Date occurs.

Where such election is made, the UK Holder should be treated as making a part disposal of Condor Gold Shares for a consideration equal to the market value of the Contingent Value Rights at the Effective Date (i.e. the value of the UK Holder's right to a future payment under the Contingent Value Rights). This may, depending on the UK Holder's individual circumstances (including the UK Holder's base cost in their holding of Condor Gold Shares, and the availability of any exemptions, reliefs or allowable losses), give rise to a liability to UK tax on capital gains (in the case of UK Holders who are individuals) or UK corporation tax on chargeable gains (in the case of UK Holders within the charge to UK corporation tax). Please refer to paragraph (2)(A) above for the rates.

When that UK Holder receives either New MTL Shares or Loan Notes pursuant to their Contingent Value Rights (or sells their Contingent Value Rights), this will be treated as a part (or whole) disposal of those Contingent Value Rights and may depending on the UK Holder's individual circumstances (including the UK Holder's base cost in their holding of the Contingent Value Rights, and the availability of any exemptions, reliefs or allowable losses), give rise to a liability to UK tax on capital gains (in the case of UK Holders who are individuals) or UK corporation tax on chargeable gains (in the case of UK Holders within the charge to UK corporation tax). Please refer to paragraph (2)(A) above for the rates. If the market value of the New MTL Shares or Loan Notes (as the case may be) received by the UK Holder pursuant to their Contingent Value Rights (or the amount for which they sell their Contingent Value Rights) is less than the market value of the Contingent Value Rights at the Effective Date which has been brought into account for tax purposes as part of the initial disposal proceeds of the Condor Gold Shares, there may be a capital loss for capital gains purposes.

Any UK Holder considering such an election under section 138(2A) of the TCGA should discuss its suitability in light of their personal tax position with an appropriately qualified independent professional adviser immediately.

The Contingent Value Rights are stated to be 'complex instruments' and no application is being made for the Contingent Value Rights to be listed or dealt in on any stock exchange. The Contingent Value Rights do not therefore qualify to be held in an individual savings account (ISA). Shareholders who hold their Scheme Shares in an individual savings account should take individual tax advice in relation to their personal circumstances as a result of disposal of the Scheme Shares.

## **Disposal of Contingent Value Rights**

A disposal of Contingent Value Rights by UK Holders before the Loan Note issue date may, depending on their individual circumstances (including the availability of any exemptions, reliefs and allowable losses), give rise to a liability to UK tax on capital gains or chargeable gains.

For these purposes, a UK Holder's base cost in their Contingent Value Rights will be:

- (c) the proportion of that UK Holder's base cost in their Condor Gold Shares apportioned to the Contingent Value Rights received by that UK Holder under the Scheme; or
- (d) where that UK Holder has made an election under section 138A(2A) of the TCGA, the market value of the Contingent Value Rights as at the Effective Date.

## **Conversion of Contingent Value Rights into Loan Notes**

### Individuals

The Loan Notes should constitute non-qualifying corporate bonds in the hands of UK Holders within the charge to UK capital gains tax. To the extent, therefore, that such a UK Holder receives Loan Notes in respect of their Contingent Value Rights and has not made an election under section 138A(2A) of the TCGA, that UK Holder will not be treated as having made a disposal of their Contingent Value Rights. Instead, the Loan Notes should be regarded as the same asset as the Contingent Value Rights and as acquired at the same time and for the same consideration as those Contingent Value Rights (which are themselves regarded as the same asset as part of the original Condor Gold Shares, and as acquired at the same time and for the same consideration as part of those Condor Gold Shares – see "Apportionment of base cost" below).

Where an election has been made by such a UK Holder under section 138A(2A) of the TCGA, that UK Holder will be treated as making a part disposal of their Contingent Value Rights for a consideration equal to the market value of the relevant Loan Notes issued to them on each occasion that such Loan Notes are issued to them. This may, depending on the UK Holder's individual circumstances, give rise to a liability to UK tax on capital gains. Any UK Holder considering such an election under section 138(2A) of the TCGA should discuss its suitability in light of their personal tax position with an appropriately qualified independent professional adviser immediately.

### Corporation tax payers

The Loan Notes will constitute qualifying corporate bonds in the hands of UK Holders within the charge to UK corporation tax. To the extent, therefore, that such a UK Holder receives Loan Notes in respect of their Contingent Value Rights and has not made an election under section 138A(2A) of the TCGA, that UK Holder will be regarded as having made a part disposal of their Contingent Value Rights on each occasion that Loan Notes are issued to them but any chargeable gain or allowable loss arising in respect of that notional disposal will be held over and realised only on a subsequent disposal, including repayment, of those Loan Notes.

Where an election has been made by such a UK Holder under section 138A(2A) of the TCGA, that UK Holder will be treated as making a part disposal of their Contingent Value Rights on each occasion that Loan Notes are issued to them for a consideration equal to the market value of the Loan Notes issued to them. This may, depending on the UK Holder's individual circumstances, give rise to a liability to UK tax on chargeable gains.

## **Future disposal/redemption of Loan Notes**

### Individuals

The repayment or prior disposal of Loan Notes by a UK Holder within the charge to UK capital gains tax may, depending on their individual circumstances (including the proportion of the UK Holder's base cost in their holding of Condor Gold Shares apportioned to the Contingent Value Rights and rolled over into the Loan Notes and the availability of any exemptions, reliefs and allowable losses), give rise to a liability to UK tax on chargeable gains. Please refer to paragraph (2)(A) above for the rates.

### Corporation tax payers

The repayment or prior disposal of Loan Notes by a UK Holder within the charge to UK corporation tax on chargeable gains will crystallise any chargeable gain or allowable loss held over. Please refer to paragraph (2)(A) above for the rates.

## **Apportionment of base cost**

A UK Holder's base cost in their Condor Gold Shares should be apportioned between the three components of the consideration for the Condor Gold Shares received by that UK Holder by reference to (i) the

respective cash amount received by them on the Effective Date, (ii) the New MTL Shares received by them on the Effective Date, and (iii) their remaining rights under the Contingent Value Rights.

Please note that, as a result of the rules related to part disposals of assets, a UK Holder may have only a proportion of base cost available to them in connection with any particular part disposal.

### **Losses in relation to the Contingent Value Rights/Loan Notes**

Where a UK Holder realises a loss in relation to any of the Contingent Value Rights and/or Loan Notes, they may (depending on their individual circumstances and in which tax or accounting periods any such loss arises) be able to claim or benefit from a loss for tax purposes and, in such circumstances, UK Holders are strongly advised to seek their own independent financial and tax advice in relation to treatment of such losses, and what particular steps or elections are required (if any) for that UK Holder to avail of the loss.

### **3. Taxation of Dividends on New MTL Shares**

#### Individuals

UK resident individuals are granted an annual tax-free dividend allowance, which is currently £500. References to “£500” below are to the current dividend allowance, which is subject to change. Accordingly, a UK Holder who receives a dividend from MTL will not pay any income tax on the first £500 of dividend income they receive (whether from MTL or elsewhere). Any dividend income received (including the first £500) will be treated as the top slice of the UK Holder’s income.

A UK Holder who (taking account of dividend receipts) is not liable to UK income tax at either the higher or the additional rate will be subject to UK income tax on any dividend income in excess of £500 at the rate of 8.75 per cent.

A UK Holder who is liable to UK income tax at the higher rate will be subject to UK income tax on any dividend income in excess of £500 at the rate of 33.75 per cent. to the extent that the dividend income in excess of £500 falls above the threshold for the higher rate of UK income tax but below the threshold for the additional rate of UK income tax.

A UK Holder who is liable to UK income tax at the additional rate will be subject to UK income tax on any dividend income in excess of £500, at the rate of 39.35 per cent. to the extent that the dividend income in excess of £2,000 falls above the threshold for the additional rate of UK income tax.

#### Companies

Scheme Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally be subject to tax on dividends paid on the New MTL Shares, provided certain conditions are met.

Other Scheme Shareholders within the charge to UK corporation tax will not be subject to tax on dividends on the New MTL Shares so long as (i) the dividends fall within an exempt class and (ii) do not fall within certain specified anti-avoidance provisions and (iii) the Scheme Shareholder has not elected for the dividends not to be exempt. Each Scheme Shareholder’s position will depend on its own individual circumstances, although it would normally be expected that dividends paid on the New MTL Shares would fall within an exempt class. Examples of dividends that are within an exempt class include dividends paid on shares that are non-redeemable ordinary shares and dividends in respect of portfolio holdings where the recipient owns less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) and is entitled to less than 10 per cent. of the profits available for distribution and less than 10 per cent. of assets available for distribution on a winding up in either case to holders of the issued share capital of the payer (or of any class of that share capital). The exemptions are not comprehensive and are subject to anti-avoidance rules. If the conditions for exemption are not, or cease to be, satisfied, or such a Scheme Shareholder elects for an otherwise exempt dividend to be taxable, the Scheme Shareholder will be subject to corporation tax in the UK on dividends received from the company. Corporation tax is charged on dividends at the rate applicable to that company. Scheme Shareholders will need to ensure that they satisfy the requirements of an exempt class before treating any dividend as exempt, and seek appropriate professional advice where necessary.

#### Other Shareholders

UK registered pension schemes and charities are generally exempt from tax on dividends which they receive.

Trustees who are liable to income tax at the rate applicable to trusts (currently 45 per cent.) will pay tax on the dividend at the dividend trust rate (39.35 per cent. for the tax year ending 5 April 2025). The annual tax-free dividend allowance applies to individuals only, and there is no equivalent allowance for trusts.

#### **4. Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)**

Scheme Shareholders should not be required to pay UK stamp duty or stamp duty reserve tax as a result of a transfer of their Scheme Shares under the Scheme.

The issue of the New MTL Shares, Contingent Value Rights or Loan Notes, in each case pursuant to the Scheme, will not give rise to a liability to UK stamp duty or SDRT.

On subsequent transfers of New MTL Shares, UK stamp duty will generally be payable (at the rate of 0.5 per cent. of the value of the consideration paid, rounded up where necessary to the next £5) if an instrument of transfer is executed in the UK or, in certain cases, is brought into the UK. Transfers of shares for less than £1,000 are not generally subject to UK stamp duty, provided that they are not part of a wider transaction or series of transactions.

An agreement to transfer certificated New MTL Shares will not be subject to UK stamp duty reserve tax provided that the New MTL Shares are not registered in any register kept in the UK by or on behalf of MTL and the New MTL Shares are not paired with shares issued by any company incorporated in the UK.



## PART 9 – ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

### General

This Document and the accompanying Forms of Proxy have been prepared for the purposes of complying with English law, the rules of the London Stock Exchange, the AIM Rules and the Code, and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

It is the responsibility of any person into whose possession this Document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

This Document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such Acquisition or solicitation is unlawful.

**Overseas shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.**

### US securities laws

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. 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 Acquisition and the Scheme are subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of US tender offer and proxy solicitation rules including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. If, in the future, MTL exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend such Takeover Offer into the United States, the Offer will be made in compliance with applicable United States laws and regulations.

Financial information included in this Document has been or will be prepared in accordance with international accounting standards as adopted in the United Kingdom and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Securities may not be offered or sold in the United States unless they are registered under the US Securities Act or are exempt from such registration requirements. The New MTL Shares, the CVRs and the Loan Notes issued pursuant to the Scheme have not been and will not be registered under the US Securities Act but are expected to be issued in reliance on the exemption provided by Section 3(a)(10) thereof. The New MTL Shares, CVRs and Loan Notes will not be registered under the securities laws of any state of the United States, and will be issued in the United States pursuant to the Scheme in reliance on available exemptions from such state law registration requirements.

A Condor Gold Shareholder (whether or not a US person or resident) who is an “affiliate” (within the meaning of the US Securities Act) of Condor Gold or MTL prior to or after the Effective Date, will receive “restricted securities” as defined in Rule 144 under the US Securities Act and will be subject to certain US transfer restrictions. Under applicable US federal securities laws, the New MTL Shares held by persons who are or will be “affiliates” may not resell the New MTL Shares received as a result of the Scheme without registration under the US Securities Act, except pursuant to the applicable resale provisions of Rule 144 under the US Securities Act or another applicable exemption from registration or in a transaction not subject to registration (including a transaction that satisfies the applicable requirements of Regulation S under the US Securities Act). “Affiliates” of a company are generally defined as persons who directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, that company. Whether a person is an affiliate of a company for purposes of the US Securities Act depends on the circumstances, but affiliates can include certain officers, directors and significant shareholders. Persons who believe they may be “affiliates” of either the MTL Group or the Condor Gold Group should consult their own legal advisers before any sale of securities received in the Scheme.

For the purpose of qualifying for the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) and disapplying the applicable US tender offer rules under Regulation 14E under the US Exchange Act with respect to the Scheme, the Court will be advised that its sanctioning of the Scheme will be relied on by Condor Gold as an approval of the Scheme following a hearing on its fairness to Condor Gold Shareholders, at which hearing all such Condor Gold Shareholders are entitled to attend in person, by authorised representative, by proxy or through counsel, and with respect to which notification has been given to all such Condor Gold Shareholders.

It may be difficult for holders of Condor Gold Shares in the United States to enforce their rights and any claims arising out of the US federal laws, since Condor Gold and MTL are located in a non-US jurisdiction, and some or all of their respective officers and directors may be residents of a non-US jurisdiction. Holders of Condor Gold Shares in the United States may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The receipt of the Fixed Consideration and the CVR Consideration pursuant to the Scheme by shareholders of Condor Gold in the United States (defined as shareholders who are US persons as defined in the US Internal Revenue Code) as consideration for the transfer of Condor Gold Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws, and such tax consequences are not described in this Document. Each Condor Gold Shareholder (including holders of Condor Gold Shares in the United States) is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Acquisition and the Scheme applicable to him or her.

Neither the SEC nor any securities commission of any state of the United States nor any other United States regulatory authority has reviewed or approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this Document, the Scheme or the issue of the Fixed Consideration or the CVR Consideration. Any representation to the contrary is a criminal offence in the United States.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, MTL or its nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Condor Gold Shares outside of the United States, other than pursuant to the Offer, until the date on which the Scheme becomes Effective, lapses or is otherwise withdrawn. These purchases or arrangements to purchase may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website.

The statements contained in this Document are made as at the date of this Document, unless some other time is specified in relation to them, and service of this Document shall not give rise to any implication that there has been no change in the facts set forth in this Document since such date. Nothing in this Document shall be deemed to be a forecast, projection or estimate of the future financial performance of Condor Gold, the Condor Gold Group, MTL or the Wider MTL Group except where otherwise stated.

### **Canadian securities laws**

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 the Document 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 Acquisition 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 Laws. The New MTL Shares and the CVRs received pursuant to the Acquisition 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 Acquisition 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 Companies 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 Acquisition in accordance with applicable Canadian Securities Laws, the Acquisition 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 law or applicable Canadian Securities Laws

As a result of the Acquisition being effected by means of a scheme of arrangement provided for under the Companies 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 Acquisition by means of a Takeover Offer and determines to extend such Takeover Offer into Canada, such Takeover 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 Takeover 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 Takeover Offer during the period in which such Takeover 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 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 Acquisition is implemented by way of a scheme of arrangement, any New MTL Shares, CVRs or Loan Notes to be issued in connection with the Acquisition 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 to be issued in connection with the Acquisition and detailed in this Document, including the New MTL Shares, CVRs or Loan Notes issued pursuant to the CVR Deed Poll 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 Acquisition or upon the adequacy or accuracy of the information contained in this Document. Any representation to the contrary is an offence.

The receipt of Fixed Consideration and the CVR Consideration pursuant to the Scheme by a Canadian Condor Gold Shareholder 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. Upon the delisting of the Condor Gold Shares from trading on the TSX, described below, the Condor Gold Shares will cease to be qualified investments under the *Income Tax Act* (Canada) for trusts governed by Registered Plans. 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 Condor Gold Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Scheme 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.

### **Australian securities laws**

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 Acquisition 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) (the “**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 Document is received by a Condor Gold Shareholder in Australia, it is provided in reliance upon ASIC Corporations (Unsolicited Offers-Foreign Bids) Instrument 2015/1070.

## PART 10 – DEFINITIONS

The following definitions apply throughout this Document (other than in those parts of this Document containing separate definitions), unless the context otherwise requires.

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| <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>Acquisition</b>                     | the recommended acquisition by MTL of the entire issued and to be issued ordinary share capital of Condor Gold, to be effected by the Scheme as described in this Document (or, should MTL so elect, by means of a Takeover Offer).  |
| <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>Announcement</b>                    | the announcement by MTL of its firm intention to make an offer to acquire Condor Gold in accordance with Rule 2.7 of the Code which was published on the Announcement Date.  |
| <b>Announcement Date</b>               | 4 December 2024.   |
| <b>Articles associated undertaking</b> | the articles of association of Condor Gold from time to time. 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>Base Case MRE</b>                   | 2,358,000 oz gold in respect of the Gold Projects.   |
| <b>BCL or Beaumont Cornish</b>         | Beaumont Cornish Limited, Building 3, 566 Chiswick High Road, London W4 5YA.   |
| <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>Bloomberg</b>                       | Bloomberg L.P., a financial software services, news and data company.  |
| <b>Board</b>                           | as the context requires, the board of directors of MTL or the board of directors of Condor Gold and the terms MTL Board and Condor Gold Board shall be construed accordingly.  |
| <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 Register</b>               | that part of the register of members of Condor Gold maintained in Canada on behalf of Condor Gold by the Registrars  |
| <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>Cancellation</b>                    | the proposed cancellation of the admission to trading of Condor Gold Shares on AIM, conditional on the Scheme coming into effect.  |
| <b>CDS</b>                             | CDS Clearing and Depository Services Inc.  |

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| <b>certificated or in 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>Combined Group</b>   | MTL and Condor Gold, and their respective subsidiary undertakings.  |
| <b>Companies Act or 2006 Act</b>  | the Companies Act 2006, as amended from time to time.   |
| <b>Company</b>  | see Condor Gold.  |
| <b>Completion</b>   | the day on which the Acquisition becomes Effective.   |
| <b>Computershare</b>  | Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol, BS13 8AE.   |
| <b>Conditions</b>   | the conditions of the Acquisition, as set out in Appendix 1 to the Announcement and Part A ( <i>Conditions to the Scheme and the Acquisition</i> ) and Part B ( <i>Further Terms of the Acquisition</i> ) of Part 3 ( <i>Conditions and Further Terms of the Acquisition</i> ) of this Document.  |
| <b>Condor Gold, Condor or Company</b>                                   | Condor Gold plc.  |
| <b>Condor Gold Directors, Condor Gold Board or Board of Condor Gold</b> | the members of the Condor Gold Board as at the date of this Document or, where the context so requires, the members of the Condor Gold Board from time to time.   |
| <b>Condor Gold Group</b>  | Condor Gold and its parent and subsidiaries and parent undertakings and subsidiary undertakings from time to time.  |
| <b>Condor Gold Options</b>  | options to subscribe for Condor Gold Shares granted pursuant to the Condor Gold Share Plan.   |
| <b>Condor Gold Share Plan</b>   | the Condor Gold share option plan established by way of an 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 Shareholders</b>   | holders of Condor Gold Shares and Condor Gold Shareholder shall be construed accordingly.   |
| <b>Condor Gold Shares</b>   | the ordinary shares of 0.1 pence each in the capital of Condor Gold.  |
| <b>Condor Gold Subsidiaries</b>   | all of the subsidiaries (direct and indirect) of Condor Gold.   |
| <b>Condor Gold Warrant Instrument</b>                                   | the warrant instrument executed by Condor Gold on 17 June 2022 (as amended).  |
| <b>Condor Gold Warrantheolders or Warrantheolders</b>                   | the holders of Condor Gold Warrants.  |
| <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>Confidentiality Agreement</b>  | the confidentiality agreement dated 23 November 2024 between MTL and Condor Gold.   |
| <b>Co-operation Agreement</b>   | the co-operation agreement dated 4 December 2024 between MTL and Condor Gold.   |
| <b>Contingent Value Rights or CVRs</b>                                  | the contingent value rights to be issued to holders of Scheme Shares.   |
| <b>Court</b>  | the High Court of Justice in England and Wales.   |
| <b>Court Hearing</b>  | the hearing by the Court of the application to sanction the Scheme under Part 26 of the Companies Act.  |
| <b>Court Meeting</b>  | the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in this Document, for the purpose of considering, and if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention of such meeting. |

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| <b>Court Order</b>                      | the order of the Court sanctioning the Scheme under Part 26 of the Companies Act.   |
| <b>CREST</b>                            | the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations) in accordance with which securities may be held and transferred in uncertificated form.   |
| <b>CREST Manual</b>                     | the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, 166 Daily Timetable, CREST Application Procedure, CREST Glossary of Terms and CREST Terms and Conditions (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996).   |
| <b>CREST Regulations or Regulations</b> | the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time.  |
| <b>CVR Consideration</b>                | the contingent value right consideration payable pursuant to the Acquisition for each Condor Gold Share held.   |
| <b>CVR Deed Poll</b>                    | the deed poll dated 4 December 2024 entered into by MTL, under which the CVRs are to be constituted with effect from the Effective Date.  |
| <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 Commencement Date</b>            | 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>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 the Announcement; or (iii) in any other announcement to a Regulatory Information Service prior to the publication of the 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 Acquisition) or orally in meetings and calls by Condor Gold management prior to the date of the Announcement to MTL or MTL's officers, employees and advisers (in their capacity as such). |
| <b>Disclosure Date</b>                  | 10 December 2024, being the latest practicable date prior to the publication of this Document.  |
| <b>Disclosure Period</b>                | the period commencing on 29 November 2023, being the date twelve months prior to the commencement of the Offer Period and ending on the Disclosure Date.  |
| <b>Effective</b>                        | in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of Takeover Offer, the Takeover 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>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   |

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|   | 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>Existing MTL Share Capital</b>         | the existing issued and outstanding share capital in MTL, excluding those shares held in treasury by MTL, comprising 2,121,729,717 MTL Shares as at 10 December 2024 (being the latest practicable date prior to the Disclosure Date).   |
| <b>FCA</b>                                | the Financial Conduct Authority of the United Kingdom 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 Acquisition for each Condor Gold Share of 4.0526 MTL Shares and 9.9p in cash for each Scheme Share.  |
| <b>Fixed Consideration New MTL Shares</b> | the New MTL Shares to be issued in part satisfaction of the Fixed Consideration.   |
| <b>Forms of Proxy</b>                     | the blue and white forms of proxy enclosed with this Document for use in connection with (i) the Court Meeting; and (ii) the General Meeting, respectively, and Form of Proxy means either of them.  |
| <b>General Meeting</b>                    | the general meeting of Condor Gold Shareholders (including any adjournment, postponement or reconvention of it) to be convened for the purpose of considering, and if thought fit, approving the shareholder resolutions necessary to enable Condor Gold to implement the Acquisition, notice of which is set out in Part 12 of this Document.   |
| <b>Gold Projects</b>                      | the Condor Gold Group's La India, Estrella and Rio Luna projects.  |
| <b>Hannam</b>                             | Hannam & Partners, 7-10 Chandos Street, London, United Kingdom, W1G 9DQ.   |
| <b>HMRC</b>                               | HM Revenue and Customs.  |
| <b>Immediate Relations</b>                | in relation to a director, his spouse or civil partner and any child or step-child of his under the age of 18 years.   |
| <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, and which at the date of this Document shall be Mr. James McFarlane of Mining Plus (further details of Mr McFarlane's appointment and his experience are set out at paragraph 16 of Part 2 of this Document).   |
| <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>Interested Persons</b>                 | in relation to a director, his Immediate Relations and other persons (including, without limit, bodies corporate) whose interests that director is taken or treated as having by virtue of the application of Part 22 of the Companies Act 2006.   |
| <b>interests in securities</b>            | has the meaning given to it in the Takeover Code.  |
| <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).  |



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| <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 La India Project</b>    | Condor Gold’s La India project in the Department of Leon, Nicaragua, as further described in paragraph 7 of Part I of this Document.   |
| <b>Last Accounts Date</b>              | 31 December 2023.  |
| <b>Loan Note Instrument</b>            | the deed poll entered into by MTL on 4 December 2024 constituting the Loan Notes with effect from the Effective Date.  |
| <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>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>MAR</b>                             | the Market Abuse Regulation (EU) No 596/2014 in such form as incorporated into the law of England and Wales, Scotland and Northern Ireland by the European Union (Withdrawal) Act 2018 and as amended, consolidated, re-enacted or replaced under domestic law from time to time   |
| <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 General Meeting, and Meeting means either of them.   |
| <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, a company incorporated in England and Wales with registered number 05098945.   |
| <b>MTL Acquisition Loan</b>            | the £5.5 million loan provided to MTL by MTL’s 18.37 per cent. shareholder, Drachs Investments No3 Limited in connection with the Acquisition.   |
| <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 Acquisition.   |
| <b>MTL Directors</b>                   | the members of the MTL Board as at the date of this Document or, where the context so requires, the members of the MTL Board from time to time.  |
| <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.  |

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| <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 Acquisition.  |
| <b>MTL Shareholder Meeting</b>        | the general meeting of the MTL Shareholders to be convened for the purpose of considering, and if thought fit, approving the shareholder resolutions necessary to enable MTL to implement the Acquisition.   |
| <b>MTL Shareholders</b>               | holders of MTL Shares.   |
| <b>MTL Shares</b>                     | ordinary shares of £0.0001 each in the share capital of MTL.   |
| <b>New MTL Options</b>                | options to subscribe for MTL Shares to be issued to holders of Condor Gold Options as described in paragraph 11 of Part 1 of this Document.  |
| <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>New MTL Warrants</b>               | warrants to subscribe for MTL Shares to be issued to holders of Condor Gold Warrants as described in paragraph 11 of Part 1 of this Document.  |
| <b>NI 43-101</b>                      | National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.   |
| <b>NI 45-106</b>                      | National Instrument 45-106 – Prospectus Exemptions of the Canadian Securities Administrators.  |
| <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 Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Acquisition if the person concerned has such a position.   |
| <b>Overseas Shareholders</b>          | Condor Gold Shareholders who are resident in, located in, or citizens of, jurisdictions outside the UK.  |
| <b>Oz</b>                             | ounces.  |
| <b>Panel</b>                          | the Panel on Takeovers and Mergers in the UK.  |
| <b>Personnel</b>                      | in relation to any person, its board of directors, members of their immediate families, related trusts and persons connected with them, as such expressions are construed in accordance with the Takeover Code.  |
| <b>Promaco</b>                        | Promaco Consulting Services Limited, which is beneficially owned by Ian Stalker.   |
| <b>Registered Plans</b>               | 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 for purposes of the Income Tax Act (Canada).   |
| <b>Registrar of Companies</b>         | the Registrar of Companies of England and Wales.   |
| <b>Registrars</b>                     | Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS13 8AE.  |
| <b>Regulations</b>                    | the Uncertificated Securities Regulations 2001.  |
| <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. |

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| <b>relevant Condor Gold securities</b> | Condor Gold Shares, any other securities in the capital of Condor Gold which carry voting rights or which are equity share capital, and securities convertible into, rights to subscribe for, options (including traded options) in respect of and derivatives referenced to, any of the foregoing.   |
| <b>relevant MTL Securities</b>         | MTL Shares, any other securities in the capital of MTL which carry voting rights or which are equity share capital, and securities convertible into, rights to subscribe for, options (including traded options) in respect of and derivatives referenced to, any of the foregoing.   |
| <b>relevant Securities</b>             | as the context requires, relevant Condor Gold securities or relevant MTL securities.  |
| <b>Resolution</b>                      | the special resolution to be proposed at the 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.   |
| <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 Acquisition 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 Scheme</b>         | the Court hearing to sanction the Scheme.<br>the proposed scheme of arrangement under Part 26 of the Companies Act between Condor Gold and the Scheme Shareholders to implement the Acquisition with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Condor Gold and MTL.   |
| <b>Scheme Document</b>                 | this Document.  |
| <b>Scheme Record Time</b>              | 10.00 pm (London time) on the Business Day after 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>                   | the Condor Gold Shares:<br>(i) in issue at the date of this Document and which remain in issue at the Scheme Record Time;<br>(ii) (if any) issued after the date of this Document and before the Voting Record Time and which remain in issue at the Scheme Record Time; and<br>(iii) (if any) issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or have agreed in writing to be, bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time, excluding, in any case, any Condor Gold Shares held by or on behalf of MTL or MTL Group at the Scheme Record Time. |
| <b>SEC</b>                             | the United States Securities and Exchange Commission.   |
| <b>SEDAR</b>                           | the System for Electronic Document Analysis and Retrieval, an electronic filing system for Canadian listed companies.   |
| <b>Shareholder</b>                     | see Condor Gold Shareholder.  |
| <b>short position</b>                  | a short position 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 obligations   |

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|   | or right to require another person to purchase or take delivery.   |
| <b>Significant Interest</b>                     | in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of: (i) the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking; or (ii) the relevant partnership interest.  |
| <b>Strand or Strand Hanson</b>                  | Strand Hanson Limited, 26 Mount Row, Mayfair, London W1K 3SQ.  |
| <b>subsidiary or subsidiary undertaking</b>     | have the meanings given to them in the Companies Act.  |
| <b>Takeover Code or Code</b>                    | The City Code on Takeovers and Mergers (as amended from time to time) issued by the Panel.   |
| <b>Takeover Offer</b>                           | should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies 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 not already owned by MTL and, where the context permits, any subsequent revision, variation, extension or renewal of such takeover offer. |
| <b>Third Party</b>                              | any Relevant Authority or any other body or person whatsoever in any jurisdiction  |
| <b>Tpa</b>                                      | tonnes per annum.  |
| <b>TSX</b>                                      | Toronto Stock Exchange.  |
| <b>uncertificated or in uncertificated form</b> | in relation to a share or other security, a share or other security the title to which is recorded as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST.   |
| <b>United Kingdom or UK</b>                     | the United Kingdom of Great Britain and Northern Ireland.  |
| <b>United States</b>                            | the United States of America.  |
| <b>US Exchange Act</b>                          | The US Securities and Exchange Act 1934, as amended.   |
| <b>US Securities Act</b>                        | the US Securities Act 1933.  |
| <b>Voting Record Time</b>                       | 10.00 p.m. (London time) on the second day before the date of the Court Meeting or any adjournment of it (as the case may be), in each case excluding any day that is not a Business Day.  |
| <b>VWAP</b>                                     | volume weighted average price.   |
| <b>Wider Condor Gold Group</b>                  | Condor Gold and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Condor Gold and all such undertakings (aggregating their interests) have a Significant Interest.  |
| <b>Wider MTL Group</b>                          | MTL and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which MTL and all such undertakings (aggregating their interests) have a Significant Interest.  |

In this Document, the following terms have the meaning given to them in the Takeover Code: “**acting in concert**”, “**connected adviser**”, “**dealing**” (and “**dealt**” shall be construed accordingly), “**derivative**”, “**exempt fund manager**”, “**exempt principal trader**”, “**interests in securities**” (and reference to a person having an interest in securities shall be construed accordingly).

**PART 11 – NOTICE OF COURT MEETING**

**IN THE HIGH COURT OF JUSTICE,  
BUSINESS AND PROPERTY COURTS  
OF ENGLAND AND WALES,  
COMPANIES COURT (ChD)**

**BEFORE *INSOLVENCY AND COMPANIES COURT JUDGE LAMBERT***

**IN THE MATTER OF CONDOR GOLD PLC  
– and –  
IN THE MATTER OF THE COMPANIES ACT 2006**

NOTICE IS HEREBY GIVEN that by an Order dated 9 December 2024 made in the above matters, the High Court of Justice (the “**Court**”) has given permission for a meeting (the “**Court Meeting**”) to be convened of the Scheme Shareholders (as defined in the document of which this Notice forms part (the “**Scheme Document**”)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between the Company and the Scheme Shareholders and that such meeting will be held at the offices of Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 6 January 2025 at 10.00 a.m. (London time) at which place and time all Scheme Shareholders are requested to attend.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the Scheme Document of which this Notice forms part. Capitalised terms used but not defined in this Notice shall have the meaning given to them in the Scheme Document.

**Voting at the Court Meeting will be by poll. It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders.**

Holders of Scheme Shares may vote by appointing the Chair of the Court Meeting (or any other person) as their proxy. A proxy need not be a member of the Company. A holder of Scheme Shares may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that holder. A blue Form of Proxy for use at the meeting is enclosed with this notice (or Scheme Shareholders may appoint a proxy electronically). Scheme Shareholders with Scheme Shares held through CREST may also appoint a proxy or proxies using CREST by following the instructions set out on page 11 of the Scheme Document of which this notice forms part.

It is requested that forms appointing proxies (together with any power of attorney or other authority under which they are signed, or a notarially certified copy of such authority) be lodged with the Company’s registrar, Computershare Investor Services PLC, in accordance with the instructions printed on such forms not later than 48 hours before the start of the meeting excluding any part of such 48 hour period falling on a day that is not a business day.

Entitlement to vote at the meeting and the number of votes which may be cast at the meeting will be determined by reference to the register of members of the Company at 10.00 p.m. (London time) on the day which is two business days before the date of the Court Meeting or, if the Court Meeting is adjourned, 10.00 p.m. (London time) on the day which is two business days before the date of such adjourned meeting, in each case excluding any part of such 48 hour period falling on a day that is not a business day (the Voting Record Time). Changes to the register of members after such time will be disregarded in determining the rights of any person to attend or vote at the Court Meeting.

By the said order, the Court has appointed Mr. Mark Child or, in his absence, Mr. Denham Eke or, failing him, any other director of the Company to act as chairman of the meeting and has directed the chairman to report the result of the meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 11 December 2024

HILL DICKINSON LLP

The Broadgate Tower, 20 Primrose Street, London EC2A 2EW

**Notes:**

1. **Every Scheme Shareholder (as defined in the Scheme Circular) has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided (see reverse). If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. If returned without an indication as to how the proxy shall vote on the matter, this form shall be invalid. Your proxy will vote as you indicate. For any other business arising at the Court Meeting (including any proper procedural resolution not listed in the notice of the Court Meeting) your proxy will vote at his discretion.**
2. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0370 702 0000 or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see reverse) the number of Scheme Shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6.00 p.m. on 2 January 2025. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
4. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 10.00 a.m. on 2 January 2025. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
5. The above is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on [REDACTED] to request a change of address form or go to [www.investorcentre.co.uk](http://www.investorcentre.co.uk) to use the online Investor Centre service.
6. Any alterations made to this form should be initialled.
7. The completion and return of this form will not preclude a member from attending the meeting and voting in person.
8. In the case of joint holders of Scheme Shares, the vote of the senior holder who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
9. Terms defined in the Scheme Circular issued by the Company on 11 December 2024 shall have the same meanings when used in this proxy form, unless the context otherwise requires.
10. If this proxy form is not returned by the relevant time, it may be handed to the Chairman before the start of the Court Meeting and will still be valid.

## PART 12 – NOTICE OF GENERAL MEETING

### CONDOR GOLD PLC

*(incorporated in England and Wales with registered number 05587987)*

Notice is hereby given that a general meeting (the “**General Meeting**”) of Condor Gold plc (the “**Company**”) will be held at the offices of Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 6 January 2025 at 10.15 a.m. (London time) (or as soon thereafter as the Court Meeting shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing resolution 1 below as a special resolution. Capitalised terms in this Notice shall, unless defined herein, have the same meanings as defined in the document of which this Notice forms part.

### SPECIAL RESOLUTION

1. **THAT:**

- (a) for the purpose of giving effect to the scheme of arrangement dated on 11 December 2024 (the “**Scheme**”), in its original form or subject to such modification, addition or condition agreed between the Company and MTL (“**MTL**”) and approved or imposed by the Court, proposed to be made between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to the General Meeting and (for the purpose of identification only) signed by the Chairman, the Scheme be approved in its original form or subject to such modification, addition or condition agreed between the Company and MTL, and the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (b) with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and the inclusion of the following new article 186:

#### “SCHEME OF ARRANGEMENT

186. *In this article, references to the **Scheme** are to the Scheme of Arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme dated 11 December 2024 (as amended or supplemented)) and as approved by the holders of the Scheme Shares at the meeting convened by the Court (as defined in the Scheme) and as may be modified or amended in accordance with its terms and subject to any condition imposed or approved by the Court, and expressions defined in the Scheme shall have the same meanings in this article.*

- (a) *Notwithstanding either any other provision of these articles or the terms of any resolution whether ordinary or special passed by the Company in general meeting, if the Company issues or transfers from treasury any ordinary shares (other than to Metals Exploration PLC (a company incorporated in England and Wales with registration number 05098945) (**MTL**) or its nominee(s)) on or after the adoption of this article and before the Scheme Record Time (as defined in the Scheme), such shares shall be issued or transferred subject to the terms of the Scheme (and shall be Scheme Shares for the purposes of the Scheme) and the original or any subsequent holder or holders of such ordinary shares shall be bound by the Scheme accordingly.*
- (b) *Notwithstanding any other provision of these articles, if any ordinary shares are issued or transferred from treasury to any person (other than MTL or its nominee(s)) (the **New Member**) at or after the Scheme Record Time, such New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) will, provided the Scheme shall have become effective, be obliged to transfer immediately all the ordinary shares held by the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) (the **Disposal Shares**) to MTL (or as MTL may otherwise direct) who shall be obliged to acquire all of the Disposal Shares in consideration of and conditional on the payment by or on behalf of MTL to the New Member of an amount in cash and/or New MTL Shares and/or Contingent Value Rights for each Disposal Share equal to the consideration that the New Member would have been entitled to had each Disposal Share been a Scheme Share.*
- (c) *On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date (as defined in the Scheme), the value of the consideration per Disposal Share to be paid under Article 186 (b) above shall be adjusted by the directors in such manner as the auditors of the Company or an independent investment bank selected by the Company may determine to be fair and reasonable to reflect such reorganisation or alteration. References in this article to ordinary shares shall, following such adjustment, be construed accordingly.*

- (d) *No fraction of a New MTL Share shall be allotted or issued to a New Member pursuant to this Article and any fraction of a New MTL Share to which any New Member would otherwise be entitled shall be disregarded.*
- (e) *The New MTL Shares allotted or issued to a New Member pursuant to this Article shall be credited as fully paid and shall rank pari passu in all respects with the MTL Shares in issue at that time (other than as regards any dividends or other distributions payable by reference to a record date preceding the date of allotment or issue).*
- (f) *To give effect to any transfer required by this Article, the Company may appoint any person as attorney and/or agent for the New Member to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of MTL and do all such other things and execute and deliver all such documents as may in the opinion of the attorney or agent be necessary or desirable to vest the Disposal Shares in MTL and pending such vesting to exercise all such rights to the Disposal Shares as MTL may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of MTL) be entitled to exercise any rights attaching to the Disposal Shares unless so agreed by MTL. The Company may give good receipt for the consideration of the Disposal Shares and may register MTL as holder of the Disposal Shares and issue to it certificates for the same. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder). The Company shall not be obliged to issue a certificate to the New Member for any Disposal Shares. MTL shall send a cheque drawn on a UK clearing bank or an electronic payment (or shall procure that such a cheque or electronic payment is sent) in favour of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) for the cash consideration payable in connection with such Disposal Shares within 14 days of the date on which the Disposal Shares are issued to the New Member.*
- (g) *If the Scheme shall not have become effective by the date referred to in clause 8(b) of the Scheme (or such later date, if any, as MTL and the Company may agree and the Court and the Panel on Takeovers and Mergers may allow, if such consent is required), this Article shall be of no effect."*

By Order of the Board  
Jim Mellon  
Chairman

11 December 2024

Registered in England & Wales  
No. 05587987

Registered Office:  
Condor Gold PLC  
7/8 Innovation Place  
Douglas Drive, Godalming  
Surrey, England  
GU7 1JX



## NOTES TO THE NOTICE OF GENERAL MEETING

1. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes (or if this proxy form has been issued in respect of a designated account for a shareholder, the proxy will exercise his discretion as to whether, and if so how, he votes).
2. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0370 702 0000 or you may photocopy this form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6.00 p.m. (London time) on 2 January 2025. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 10.15 a.m. (London time). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6. Proxies may be appointed electronically by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions therein, details of the Control Number, Shareholder Reference Number (SRN) and PIN can be located on the Form of Proxy posted to you. Full instructions are given on the website. For an electronic proxy appointment to be valid, the appointment must be received by Computershare Investor Services PLC not later than 48 hours (excluding any part of such 48-hour period falling on a day that is not a business day) before the time fixed for the General Meeting or any adjournment thereof.

## APPENDIX I – DESCRIPTION OF NEW MTL SHARES

Set out below is information concerning the MTL Shares, including a brief summary of certain provisions of the articles of association of MTL (as adopted by special resolution on 17 June 2022) (“**MTL Articles**”) and the Companies Act 2006 relating to limited companies and certain related legislation, all as currently in effect.

### Summary of rights attached to New MTL Shares

#### **Variation of rights**

Subject to the provisions of the Companies Act 2006 and every other statute for the time being in force concerning companies and affecting MTL (the “**Statutes**”), whenever the capital of MTL is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, either with the consent in writing of the holders of not less than three-quarters in nominal amount of the issued shares of the affected class, or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class (but not otherwise).

At every such separate general meeting the necessary quorum at any such meeting other than an adjourned meeting shall be two persons between them holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question and at an adjourned meeting one person holding shares of the class in question or his proxy. Every holder of shares of the class present in person or by proxy shall, on a poll, have one vote in respect of every share of the class held by him and shall be entitled to demand a poll.

#### **Alteration of share capital**

MTL may, subject to the passing of an ordinary resolution authorising it to do so in accordance with the Companies Act 2006:

- (A) increase its share capital by new shares of such amount as the resolution prescribes;
- (B) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares,
- (C) subject to the Statutes, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or have such qualified or deferred rights or be subject to any restriction as compared with the others, and
- (D) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

#### **Share rights**

Subject to the provisions of the Statutes and without prejudice to the rights attaching to any existing shares, any share may be issued with such rights or such restrictions as MTL may by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the MTL Board may determine.

#### **Pre-emption rights**

There are no rights of pre-emption under the MTL Articles in respect of transfers of issued New MTL Shares. In certain circumstances, the MTL Shareholders may have statutory pre-emption rights under the Companies Act 2006 in respect of the allotment of new shares in MTL. These statutory pre-emption rights would require MTL to offer new shares for allotment to existing MTL Shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the MTL Shareholders.

#### **Dividends and other distributions**

- (A) Subject to the Statutes, MTL may by ordinary resolution declare dividends to be paid to MTL Shareholders in accordance with their respective rights. However, the dividends shall not exceed the amount recommended by the MTL Board. Subject to the Statutes any determination by the MTL Board of the amount of profits at any time available for distribution shall be conclusive.
- (B) Subject to the Statutes, the MTL Board may pay interim dividends if it appears to the MTL Board that they are justified by the financial position of the Company. If the share capital of MTL is divided into

different classes, the MTL Board may pay interim dividends on shares which confer deferred or non-preferred rights to dividends as well as on shares which confer preferential or special rights to dividends, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividends is in arrears.

- (C) Except in so far as the rights attaching to any share otherwise provide, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated as paid up on the share.
- (D) All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

### ***Voting rights***

- (A) Subject to any rights or restrictions attached to any shares and to any other provisions of the MTL Articles, on a show of hands, every MTL Shareholder present in person has one vote, and on a poll, every MTL Shareholder shall have one vote.
- (B) A corporation which is an MTL Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company or of any class of Members of the Company. The person so authorised shall be entitled to exercise the same powers (other than the power to appoint by proxy) on behalf of the corporation which he represents as that corporation could exercise if it were an individual MTL Shareholder.

### ***Transfer of shares***

- (A) Subject to the MTL Articles, a share in MTL in certificated form shall be transferred by instrument of transfer in any usual form, or in any other form approved by the MTL Board, signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- (B) All transfers or shares in uncertificated form shall be made in accordance with and be subject to the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time) (the “**Regulations**”) and the system’s rules and otherwise in such manner as the MTL Board in its absolute discretion shall determine
- (C) The MTL Board may, in their absolute discretion, refuse to register the transfer of a share which is not fully paid up (provided that where any such shares are admitted to the Official List of the Financial Conduct Authority or the AIM Market of the London Stock Exchange, such discretion may not be exercised in such a way as to prevent trading in the shares of that class from taking place on an open and proper basis).
- (D) The MTL Board may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:
  - (i) is duly stamped or duly certificated; and
  - (ii) is delivered for registration at the registered office of MTL or such other place as the MTL Board may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the MTL Board may reasonably require to show the right of the transferor to make the transfer.
- (E) The MTL Board may also refuse to register a transfer if:
  - (i) it not in respect of one class of share only;
  - (ii) if it is not in favour of four or fewer transferees;
  - (iii) if it is in favour of a minor, bankrupt or person of mental ill health; or
  - (iv) where the MTL Board is obliged or entitled to refuse to do so as a result of any failure to comply with a notice under section 793 of the Companies Act 2006.
- (F) The MTL Board may refuse to register a transfer of a share in uncertificated form in any case where MTL is entitled to refuse to register the transfer in such other circumstances as may be permitted by the Regulations.
- (G) If the MTL Board refuse to register a transfer of a share held in certificated form they shall send the transferee notice of the refusal within two months after the date on which the transfer was lodged with MTL or, in the case of an uncertificated share, the date on which the appropriate instruction was received by or on behalf of MTL in accordance with the Regulations.

- (H) No fees shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

#### ***Distribution of assets on a winding-up***

If MTL commences liquidation the liquidator may, with the sanction of a special resolution and with any other sanction required by the Statutes, divide among the MTL Shareholders in kind the whole or any part of the assets of MTL (whether the assets are of the same kind or not) and for such purposes may set such value upon any assets and may determine how such division shall be carried out as between the MTL Shareholders or different classes of MTL Shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the MTL Shareholders as he shall think fit, but no MTL Shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

#### ***Restrictions on rights: failure to respond to a section 793 notice***

- (A) If a MTL Shareholder, or any other person appearing to be interested in any shares, fails to provide the information requested in a notice given to him under section 793 of the Companies Act 2006 by MTL in relation to his interest in shares (the “default shares”) within 14 calendar days after the notice has been given, the MTL Board may, in its absolute discretion, direct to such MTL Shareholder that they shall not attend or vote (whether in person or by representative or proxy) at any general meeting or separate meeting of the holders of any class of shares of MTL in respect of the default shares.
- (B) Where the default shares represent at least 0.25 per cent. of the issued shares of MTL or the class in question, the notice may additionally direct that:
- (i) any dividend or other distribution in respect of the default shares shall be withheld by MTL; and
  - (ii) no transfer, other than an excepted transfer, of any shares held by the MTL shareholder shall be registered unless the MTL Shareholder is not himself in default as regards supplying the information required and the transfer is of part only of the MTL Shareholder’s holding and when lodged for registration is accompanied by a certificate from the MTL Shareholder in a form satisfactory to the MTL Board that after due and careful enquiry the MTL Shareholder is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

#### ***Untraced MTL Shareholders***

MTL shall be entitled to sell at the best price reasonably obtainable at the time of sale any share held by a MTL Shareholder if and provided that:

- (A) during a period of 12 years, no cheque, warrant or other financial instrument or payment sent by MTL has been cashed; at least three cash dividends have been paid by MTL and no dividend has been claimed during that period in respect of such shares;
- (B) MTL has, after expiration of that period, given notice of its intention to sell such shares by two advertisements, one in a national newspaper published in the United Kingdom and the other in a newspaper circulating in the area in which the last known address of the holder or the address at which service of notices may be effected;
- (C) so far as the MTL Board are aware, MTL has not during that period or the period of three months after the date of such advertisements (or the later of the two dates if they are published on different dates) and prior to the exercise of the power of sale, received any communication from the holder or person entitled by transmission; and
- (D) if any part of the share capital of MTL is admitted to the Official List of the Financial Conduct Authority, MTL has given notice in writing to the Financial Conduct Authority of its intention to sell such share.

#### ***Unclaimed Dividends***

Any dividend unclaimed after a period of one year after being declared may be invested or otherwise made use of by the MTL Board. Any dividend unclaimed for a period of 12 years after being declared shall be forfeited and revert to MTL.

#### ***MTL (Luxembourg) S.a.r.l Director and Drachs Investments No3 Limited Director***

The MTL Articles reference that MTL has entered into a relationship agreement with MTL (Luxembourg) S.a.r.l (“**MTL Lux**”). This relationship agreement provides the ability for MTL Lux to appoint a director to the MTL Board, for so long as it (together with its associates) continues to hold more than 10 per cent. of the voting rights of MTL. In addition, MTL has entered into a relationship agreement with Drachs Investments

No3 Limited (“**Drachs**”) which provides the ability for Drachs to appoint a director to the MTL Board, for so long as it (together with its associates) continues to hold more than 15 per cent. of the voting rights of MTL.