

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Condor Energies Inc. (“**Condor**” or the “**Company**”)
Suite 1000, 521 – 3rd Avenue SW
Calgary, Alberta T2P 3T3

Item 2 Date of Material Change

December 14, 2022

Item 3 News Release

A news release disclosing the material change was disseminated on December 14, 2022 through the services of Globe Newswire.

Item 4 Summary of Material Change

On December 14, 2022, Condor announced the closing of its private placement of 10,966,019 common shares of the Company at a price of \$0.34 per Common Share for aggregate gross proceeds of \$3,728,447.

Item 5.1 Full Description of Material Change

On December 14, 2022, Condor announced the closing of its previously announced private placement of 10,966,019 common shares of the Company (the “**Common Shares**”) at a price of \$0.34 per Common Share for aggregate gross proceeds of \$3,728,447 (the “**Offering**”). The Common Shares issued under the Offering will have a hold period of four months and one day expiring on April 15, 2023. Research Capital Corporation (the “**Agent**”) acted as agent and sole bookrunner for the Offering, as well as advisor to the Company in respect of the Offering.

The Company intends to use the net proceeds from the Offering for its lithium mining license project (as detailed below), working capital requirements and other general corporate purposes. As previously announced on November 14, 2022, the Company has entered into a binding sale and purchase agreement with a state-owned entity to acquire a 95% working interest in a mining license in Kazakhstan (the “**Lithium License**”). A prior well drilled in the Lithium License for hydrocarbon exploration encountered and tested lithium brine deposits with lithium concentrations of up to 130 milligrams per litre as reported by the Ministry of Geology of the Kazakh Republic. The transaction is subject to customary approvals from the Government of Kazakhstan and satisfaction of certain commercial conditions typical for transactions of this nature. The transaction is expected to be completed during the first quarter of 2023.

Certain insiders of the Company, including certain directors and the Company’s largest shareholder, participated in the Offering, acquiring an aggregate of 4,514,707 Common Shares. Participation in the Offering by these insiders made the Offering a “related party transaction” pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company was exempt from the requirements to obtain a formal valuation and minority shareholder approval in connection with the insiders’

participation in the Offering in reliance on sections 5.5(a) and 5.7(1)(a) of MI 61-101 in that the fair market value (as determined under MI 61-101) of the securities issued under the Offering (and the consideration paid to the Company therefor) to interested parties (as defined under MI 61-101) did not exceed 25% of the Company's market capitalization (as determined under MI 61-101). The total value of the securities issued to interested parties in connection with the Offering was \$1,715,588.66. The market capitalization of Condor, as determined in accordance with MI 61-101 was \$17,627,389

The interest in the Offering of each "interested party" and each "related party" (as such terms are defined in MI 61-101) and associated entities of such parties was as follows:

Interested Party or Related Party	Relationship to Condor	Interest in the Offering
EurAsia Resource Value S.E.	Control Person	Subscribed for 3,970,589 Common Shares for an aggregate subscription price of \$1,350,000.26 ⁽¹⁾
Donald Streu	Director	Subscribed for 244,118 Common Shares for an aggregate subscription price of \$83,000.12 ⁽²⁾
Andrew Judson	Director	Subscribed for 300,000 Common Shares for an aggregate subscription price of \$102,000 ⁽³⁾

Notes:

- (1) As a result of the Offering, the percentage of the total issued and outstanding Common Shares owned or controlled by EurAsia Resource Value S.E. increased from 20.6% prior to the Offering to 23.6% after the Offering.
- (2) As a result of the Offering, the percentage of the total issued and outstanding Common Shares owned or controlled by Mr. Streu increased from 0.6% prior to the Offering to 0.9% after the Offering.
- (3) As a result of the Offering, the percentage of the total issued and outstanding Common Shares owned or controlled by Mr. Judson increased from 1.7% prior to the Offering to 1.9% after the Offering.

In connection with the Offering, each of EurAsia Resource Value S.E., Donald Streu and Andrew Judson entered into a lock-up agreement pursuant to which they agreed with Condor and the Agent not to directly or indirectly sell, transfer, assign, lend, swap, pledge, encumber or otherwise dispose of, or agree or announce an intention to do any of the foregoing, any of their respective securities of Condor for a period of 120 days from the date of the closing of the Offering (December 14, 2022), without the consent of the Agent (the "**Lock-Up**"). The Lock-Up is subject to certain exemptions, including the right of the shareholder to transfer any securities of Condor among such shareholder's affiliates for tax or other planning purposes (provided that any such affiliate agrees to be bound by the Lock-Up with respect to any securities it receives from the shareholder) and the right of the shareholder to participate in a transaction involving a sale of all of the issued and outstanding Common Shares.

Management of Condor initiated discussions with the Company's legal counsel in November 2022 to obtain advice regarding the participation of insiders in the Offering and the securities laws and rules of the Toronto Stock Exchange (the "**TSX**") applicable to such participation, including the level of insider participation allowed and the price at which Common Shares could be offered. Following discussions with Condor's management and the Agent regarding, among other things, the terms and conditions of the Offering, the level of insider participation being within the limits prescribed by securities laws and the TSX, and the advice received from legal counsel to the Company and the Agent, the Board of Directors of Condor

(the “**Board**”) unanimously approved the Offering, including the price for the offering of \$0.34 per Common Share which represented a discount to the then-current market price of approximately 10%. Condor’s Board consists of three independent directors, none of whom are affiliated with Eurasia Resource Value S.E.

Item 5.2 Disclosure for Restructuring Transaction

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Don Streu, President & Chief Executive Officer
Sandy Quilty, Vice President Finance & Chief Financial Officer
Telephone: (403) 201-9694

Item 9 Date of Report

December 21, 2022.