

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Condor Energies Inc. (“**Condor**” or the “**Company**”)
Suite 1810, 500 – 4th Avenue SW
Calgary, Alberta T2P 2V6

Item 2 Date of Material Change

December 9, 2024

Item 3 News Release

A news release disclosing the material change was disseminated on December 9, 2024 through the services of Globe Newswire.

Item 4 Summary of Material Change

On December 9, 2024, Condor announced the closing of its private placement of a total of 10,198,582 common shares of the Company (the “**Common Shares**”) for aggregate gross proceeds of \$19,377,305.80 of which 5,263,150 Common Shares were issued pursuant to the listed issuer financing exemption (the “**LIFE Common Shares**”) under Part 5A of National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) and 4,935,432 Common Shares were issued under the accredited investor exemption (the “**Accredited Investor Common Shares**”) pursuant to NI 45-106.

Item 5.1 Full Description of Material Change

On December 9, 2024, Condor announced the closing of its previously announced private placement of 10,198,582 Common Shares at a price of \$1.90 per Common Share for aggregate gross proceeds of \$19,377,305.80 (the “**Offering**”). The Accredited Investor Common Shares are subject to a statutory restricted period of four months and one day expiring on April 10, 2025. The LIFE Common Shares are not subject to a statutory hold period. Research Capital Corporation acted as the lead agent and sole bookrunner for the Offering on behalf of a syndicate of agents including Auctus Advisors LLP and Canaccord Genuity Corp. (collectively, the “**Agents**”).

The Company intends to use the net proceeds of the Offering for the ongoing workover program as part of Condor’s production enhancement service activities in Uzbekistan, accelerating a multi-well vertical and horizontal drilling program to the first half of 2025, purchasing additional in-field flowline water separation systems and field equipment, upgrading field facilities, working capital and general corporate purposes. Condor is continuing and expanding the workover program initiated in June 2024 comprised of plunger lift installations, production tubing replacements, perforating previously non-depleted and bypassed pay zones and other workover activities. A third service rig is planned to commence operations in the first quarter of 2025.

Certain insiders of the Company, including certain directors and officers and the Company’s largest shareholder, participated in the Offering, acquiring an aggregate of 1,161,999 Common

Shares, all of which were Accredited Investor 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 because 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 \$2,207,798.10. The market capitalization of Condor, as determined in accordance with MI 61-101 was \$123,678,435.60.

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 1,052,632 Common Shares for an aggregate subscription price of \$2,000,000.80 ⁽¹⁾
Donald Streu	Officer and Director	Subscribed for 32,000 Common Shares for an aggregate subscription price of \$60,800.00 ⁽²⁾
Sandy Quilty	Officer	Subscribed for 30,000 Common Shares for an aggregate subscription price of \$57,000.00 ⁽³⁾
Jon Erickson	Officer	Subscribed for 26,315 Common Shares for an aggregate subscription price of \$49,998.50 ⁽⁴⁾
Trent Mercier	Officer	Subscribed for 21,052 Common Shares for an aggregate subscription price of \$39,998.80 ⁽⁵⁾

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. decreased from 23.40% prior to the Offering to 21.42% 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 decreased from 1.18% prior to the Offering to 1.05% 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. Quilty remained the same at 0.28% prior to the Offering and 0.28% after the Offering.
- (4) As a result of the Offering, the percentage of the total issued and outstanding Common Shares owned or controlled by Mr. Erickson increased from 0.12% prior to the Offering to 0.14% after the Offering.
- (5) As a result of the Offering, the percentage of the total issued and outstanding Common Shares owned or controlled by Mr. Mercier increased from 0.03% prior to the Offering to 0.05% after the Offering.

In connection with the Offering, each of Donald Streu, Sandy Quilty, Andrew Judson, Norman Storm, Dennis Balderston, Trent Mercier and Jon Erickson entered into a lock-up agreement pursuant to which they agreed with Condor and the Agents 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 9, 2024), without the consent of the Agents (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 September 2024 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 Agents 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 \$1.90 per Common Share which represented a discount to the then-current market price of 13.86%. 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 13, 2024.

Cautionary Note Regarding Forward-Looking Information

This material change report contains forward-looking statements and forward-looking information as defined under applicable Canadian and U.S. securities laws (collectively, “**forward-looking information**”). Forward-looking information includes, without limitation, forecasts, estimates, plans, projections, targets, expectations and objectives for future operations and financial results, and the use of words such as “may”, “will”, “should”, “expect”, “anticipate”, “continue”, “plan”, “ongoing”, “strive”, “expand” and similar expressions are intended to identify forward-looking information. The forward-looking information contained herein is provided for the purpose of assisting readers in understanding management’s current expectations and plans relating to the future. These forward-looking information relate to, among other things, the intended use of the net proceeds of the Offering, including, Condor’s continued energy production progress in Uzbekistan, accelerating a multi-well vertical and horizontal drilling program to the first half of 2025, purchasing additional in-field flowline water separation systems and field equipment, upgrading field facilities, working capital; and Condor’s expectation that its project to construct and operate LNG facilities in Kazakhstan will be ongoing.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual actions, events or results to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general economic, market and business conditions; volatility in market conditions including market prices for natural gas; risks related to the exploration, development and production of natural gas and condensate reserves; risks inherent in the Company’s international operations; risks related to the timing of completion of the Company’s projects and financings; competition for capital; the availability of capital on acceptable terms; reliance on third parties to execute the Company’s strategy; and increasing regulations affecting the Company’s future operations. Additional risk factors relevant to the Company and the Common Shares are discussed under the heading “Risk Factors” in the Company’s annual information form for the year ended December 31, 2023 and under the heading “Forward-Looking Statements” in the Company’s management’s discussion and analysis for the three and nine months ended September 30, 2024, both of which are available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

The above summary of assumptions and risks related to forward-looking information is provided in this material change report to assist prospective investors with understanding the risks associated with an investment in the Common Shares and may not be appropriate for other purposes. The Company’s actual results could differ materially from those expressed in or implied by this forward-looking information, and no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur. Readers are therefore cautioned that they should not unduly rely on the forward-looking information included in this material change report.

The forward-looking information included in this material change report are expressly qualified by this cautionary statement and are made only as of the date of this material change report. The Company does not undertake any obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.