

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 24, 2025

Item 3 News Release

A news release disclosing the material change was disseminated on December 24, 2025 through the services of Globe Newswire.

Item 4 Summary of Material Change

On December 24, 2025 (the "**Closing Date**"), Condor announced the closing of its brokered private placement of 13,650 unsecured convertible debentures (the "**Convertible Debentures**") at a price of \$1,000 per Convertible Debenture for aggregate gross proceeds of \$13,650,000.

Item 5.1 Full Description of Material Change

On December 24, 2025, Condor announced the closing of its previously announced brokered private placement of 13,650 Convertible Debentures at a price of \$1,000 per Convertible Debenture for aggregate gross proceeds of \$13,650,000 (the "**Offering**"). The Convertible Debentures are subject to a statutory restricted period of four months and one day expiring on April 25, 2026. The Offering was led by Research Capital Corporation, as the sole bookrunner and co-lead agent, together with Canaccord Genuity Corp., as co-lead agent, on behalf of a syndicate of agents, including Auctus Advisors LLP (collectively, the "**Agents**").

The Convertible Debentures bear interest at a rate of 12.0% per annum from the Closing Date and mature on December 24, 2028 (the "**Maturity Date**"). The outstanding principal amount of each Convertible Debenture is convertible at the option of the holder thereof into Common Shares at a conversion price of \$2.00 per Common Share at any time prior to close of business on the last business day immediately preceding the Maturity Date. Convertible Debentures that are not converted prior to the Maturity Date will be repaid in cash on the Maturity Date.

As consideration for brokered services provided to the Company in connection with the Offering, the Company paid the Agents a commission comprised of: (i) an aggregate cash fee of \$492,700; (ii) an aggregate advisory fee of \$218,000; (iii) an aggregate of 111,675 broker warrants of the Company ("**Broker Warrants**"); and (iv) an aggregate of 52,500 advisory warrants of the Company ("**Advisory Warrants**", and together with the Broker Warrants, the "**Warrants**"). Each Warrant will be exercisable for one Common Share at an exercise price equal to \$2.00 per Common Share until December 24, 2028.

The Company intends to use the net proceeds of the Offering to accelerate development activities in Uzbekistan by mobilizing a second drilling rig to execute the planned 12 well drilling program in 2026, in-field compression facilities, working capital and general corporate purposes.

Certain insiders of the Company, including certain directors and officers of the Company, participated in the Offering, acquiring an aggregate of \$800,000 Convertible Debentures (which are convertible into an aggregate of 400,000 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 \$800,000. The market capitalization of Condor, as determined in accordance with MI 61-101 was \$119,641,870.

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
Don Streu	Officer and Director	Subscribed for \$200,000 of Convertible Debentures which are convertible into 100,000 Common Shares ⁽¹⁾
Sandy Quilty	Officer	Subscribed for \$100,000 of Convertible Debentures which are convertible into 50,000 Common Shares ⁽²⁾
Andrew Judson	Director	Subscribed for \$200,000 of Convertible Debentures which are convertible into 100,000 Common Shares ⁽³⁾
John Chambers	Director	Subscribed for \$300,000 of Convertible Debentures which are convertible into 150,000 Common Shares ⁽⁴⁾

Notes:

- (1) As a result of the Offering, the percentage of the total issued and outstanding Common Shares owned or controlled by Mr. Streu increased from 1.20% prior to the Offering to 1.35% 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. Quilty decreased from 0.31% prior to the Offering to 0.38% 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 1.79% prior to the Offering to 1.94% 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. Chambers increased from 0.62% prior to the Offering to 0.84% after the Offering.

In connection with the Offering, each of Dennis Balderston, Don Streu, Werner Zoellner, Andrew Judson, John Chambers, Sandy Quilty, Norman Storm, Trent Mercier, Matthew Pachell, 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 Closing Date, 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 November 2025 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 and value 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. Condor’s Board consists of five directors, four of whom are independent.

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

January 5, 2026.

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” 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 drilling program in 2026, in-field compression facilities, working capital and general corporate purposes.

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, 2024 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, 2025, 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.