

Execution version

CONFIDENTIAL

Dated **06 January 2021**

EGDON RESOURCES PLC
and
PETRICHOR PARTNERS, LP

SUBSCRIPTION AGREEMENT

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THIS SUBSCRIPTION AGREEMENT was made on 06 January 2021

BETWEEN:

- (1) **EGDON RESOURCES PLC**, a public limited company, (registered in England and Wales No. 06409716) whose registered office is at The Wheat House, 98 High Street, Odiham, Hampshire RG29 1LP (the **Company**), and
- (2) **PETRICHOR PARTNERS, LP**, registered in Delaware, USA with registered address at InCorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, Delaware 19801, USA (the **Purchaser**).

WHEREAS

The Purchaser wishes to acquire certain securities to be issued by the Company and the Company wishes to issue and sell such securities to the Purchaser, on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of these premises and the respective covenants and agreements herein contained, the Company and the Purchaser agree as follows:

1 Subscription for Securities; Payment and Issuance

- 1.1 Subject to the satisfaction of the condition in clause 1.2, the Purchaser hereby subscribes to purchase at par GBP 1,000,100 nominal 8% unsecured convertible Loan Notes 2021 of the Company (the **Securities**), and in consideration for the Securities the Purchaser is herewith paying to the Company the aggregate purchase price of GBP 1,000,100 (the **Purchase Price**).
- 1.2 The obligations of the Purchaser hereunder are conditional on the due passing by the members of the Company in general meeting of the resolutions set out in the Schedule hereto as resolutions of the kind therein specified, and Resolution 1 having been passed on a poll of independent shareholders in accordance with Appendix 1 to the City Code on Takeovers and Mergers ("**City Code**").
- 1.3 The payment of the Purchase Price shall be sent (e.g., wire of funds shall be initiated) to the bank account of the Company as notified by the Company to the Purchaser within 3 Banking days of satisfaction of the condition in clause 1.2.
- 1.4 Within two banking days of the receipt of the Purchase Price or (if later) within two banking days of satisfaction of the condition in clause 1.2, the Company will issue the Securities to the Purchaser or as it may direct provided that it may only require the Securities to be issued to the person with whom it is acting in concert (as defined in the City Code of Takeovers and Mergers) in relation to the Company.
- 1.5 As soon as is reasonably practicable following issue of the Securities the Company will issue a definitive certificate or certificates in the name(s) of the Purchaser or the person or persons it has nominated in accordance with clause 1.4.
- 1.6 The Securities shall be issued in accordance with the terms of a Convertible Note Instrument expected to be executed by the Company on or around 22 January 2021, subject to the satisfaction of the condition in clause 1.2. The Purchaser acknowledges it has received a copy of the said Instrument.

2 Representations and Warranties of the Purchaser

- 2.1 The Purchaser confirms that the representations and warranties set out in this clause 2 shall apply to the Securities. The Purchaser hereby represents and warrants to and agrees with the Company as follows:

- (a) the Purchaser acknowledges and agrees that the outstanding ordinary shares of the Company are currently admitted to trading on the AIM Market of the LSE, and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the LSE (the **Exchange Information**), which includes a description of the Company's business and certain of the Company's financial information, including certain balance sheets and income statements, and the Purchaser confirms that it is able to access the Exchange Information;
- (b) the Purchaser acknowledges and agrees that no formal disclosure or offering document has been or will be prepared in connection with the issue of the Securities, that it has not received a formal offering document in connection therewith;
- (c) the Purchaser represents and warrants that, in making its investment decision, it has not relied on any information relating to the Company other than the Exchange Information and other information that is publicly available;
- (d) the Purchaser confirms that it has made its own assessment and has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relevant to its investment in the Securities, and that it has received all information that it believes is necessary or appropriate in connection with its investment in the Securities (and, without limiting the foregoing, it does not require any disclosure or offering document or prospectus for such purpose);
- (e) the Purchaser has substantial experience in evaluating and investing in securities of companies similar to the Company such that the Purchaser is capable of evaluating the merits and risks of an investment in the Company and has such knowledge and experience in financial matters as to be capable of protecting the Purchaser's own interests;
- (f) the Purchaser understands that the acquisition of the Securities involves a high degree of risk of loss of the Purchaser's investment therein. The Purchaser is able to bear the economic risk of the investment in the Securities being made hereby for an indefinite period of time, including the risk of a complete loss of the investment in the Securities and will not look to the Company for all or part of any such loss or losses it may suffer. The Purchaser understands that no US federal or state or non-US agency has made any finding or determination as to the fairness for investment or any recommendation or endorsement of the Securities;
- (g) the Purchaser understands and acknowledges that the Securities have not been and will not be registered under the United States Securities Act of 1933 (as amended) ("the **Securities Act**") or with any securities regulatory authority or any state or other jurisdiction of the United States, are being offered and sold to the Purchaser in a transaction that is exempt from the registration requirements of the Securities Act;
- (h) the Purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them. The Purchaser further agrees to cause to be delivered any letter or opinion reasonably required by the Company in connection with transfers of the Securities to the Company promptly following any resale, transfer, assignment, pledge or other disposal of the Securities. The Purchaser further understands that no representation has been made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or other transfer of the Securities and agrees to notify any subsequent purchaser of the Securities from it of the re-sale restrictions discussed in this clause;
- (i) the Purchaser understands and acknowledges that the Company and its agents shall not be obligated to recognize any resale or other transfer of the Securities represented thereby made other than in compliance with the restrictions set forth in this agreement, although resale or other transfer of the Securities to parties with whom it is acting in concert (as defined in the City Code of Takeovers and Mergers), including any parties controlled or managed by such a party, will be recognized;

- (j) the Purchaser was not formed exclusively for the purpose of investing in the Securities. The Purchaser will treat this Subscription Agreement as confidential and will not distribute them publicly in the United States;
- (k) the Purchaser confirms that it is a person of a kind described in (a) Articles 19(5) (investment professionals) or 49(2) (high net worth companies and unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (**Order**) and (b) section 86(7) of FSMA and, *inter alia*, has by its acceptance of the Securities given the confirmations, warranties and undertakings contained in this Agreement. Persons of any description other than those described above should not act on the information contained in this Agreement. This placing letter is not being issued by the Company in its capacity as an authorised person, nor has it been approved by an authorised person under section 21 of FSMA and they may not therefore be subject to the controls which would apply if it were made or approved as a financial promotion by an authorised person;
- (l) the Purchaser acknowledges that the Securities are available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Securities will be engaged in only with, relevant persons and that any person who is not a relevant person or who does not have professional experience in matters relating to professional investments should not act or rely on or this information or any of its contents.

2.2 The Purchaser understands and acknowledges that the Company and its agents shall not be obligated to recognize any resale or other transfer of the Securities made other than in compliance with the restrictions set forth in this Agreement and that the Securities (if issued in certificated form) will bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE APPLICABLE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) OUTSIDE THE UNITED STATES PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT ("REGULATIONS") (B) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; OR (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT; AND IN EACH CASE (I) UPON DELIVERY OF ALL CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT THE COMPANY MAY REASONABLY REQUIRE AND (II) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER RELEVANT JURISDICTION. EACH HOLDER, BY ITS ACCEPTANCE OF THESE SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS."

In addition, such certificates shall bear such other legends as are deemed necessary by the Company or required under applicable law.

3 Miscellaneous

3.1 Governing Law

The terms of this Subscription Agreement and any non-contractual obligation arising in connection with it shall be governed by, and construed in accordance with, English Law and in relation to any action or proceedings to enforce the terms of this letter, or arising out or in connection with the same, ("**Proceedings**") you shall submit to the exclusive jurisdiction of the English Courts and waive any objection to Proceedings in such Courts on the grounds of venue or on the grounds that the Proceedings have been brought in an inappropriate forum. Other than the Company which may directly enforce the terms of this letter, no person who is not a party to this letter shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this letter.

3.2 **Entire Agreement; Amendment**

This Agreement contains the entire understanding and agreement of the parties relating to the subject matter hereof and supersedes all prior and/or contemporaneous understandings and agreements of any kind and nature (whether written or oral) among the parties with respect to such subject matter, all of which are merged herein. This Agreement may not be amended, modified or altered except by a written instrument executed by each of the parties hereto.

3.3 **Waiver**

Any waiver by a party hereto of any breach of or failure to comply with any provision or condition of this agreement by any other party hereto shall not be construed as, or constitute, a continuing waiver of such provision or condition, or a waiver of any other breach of, or failure to comply with, any other provision or condition of this Agreement, any such waiver to be limited to the specific matter and instance for which it is given. No waiver of any such breach or failure or of any provision or condition of this Agreement shall be effective unless evidenced by a written instrument signed by the party granting the waiver. No failure or delay by any party to enforce or exercise its rights or remedies hereunder shall be deemed a waiver hereof, nor shall any single or partial exercise of any such right or remedy or any abandonment or discontinuance of steps to enforce such rights, preclude any other or further exercise thereof or the exercise of any other right.

3.4 **Reproduction**

The Purchaser irrevocably authorizes the Company to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official enquiry with respect to the matters set forth herein.

3.5 **Authorizations**

The Purchaser hereby represents and warrants that all necessary actions have been taken to authorize the purchase by the Purchaser of the Securities and the execution of this Agreement.

3.6 **Counterparts**

This Agreement may be executed in counterparts, each of which when executed shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same document. A signed copy of the Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. This Agreement shall become effective when one or more counterparts, taken together, shall have been executed and delivered by all of the parties.

SCHEDULE

ORDINARY RESOLUTION

1. **THAT** the waiver granted by the Panel on Takeovers and Mergers of any requirement under Rule 9 of The Code on Takeovers and Mergers for the Concert Party to make a general offer to Shareholders of the Company as a result of the issue of up to 73,233,406 Conversion Shares, as more fully described in the Document, be and is hereby approved.
2. **THAT**, subject to the passing of resolution 1 set out in the notice convening this meeting, for the purposes of section 551 of the Companies Act 2006 (the "Act"), the Directors be and are hereby generally and unconditionally authorised (in addition to all existing authorities) to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company, as is contemplated in sub-sections 551(1)(a) and 551(1)(b) respectively of the Act up to a maximum nominal amount of £732,334.06 pursuant to the Subscription Agreement and the Convertible Loan Note Instrument (as defined in the Document) during the period expiring on the earlier of (i) 6 June 2022; and (ii) the date falling 12 (twelve) months from the date of issue of the Convertible Loan Notes (as defined in the Document), save that the Company may prior to the expiry of such period make any offer or agreement which would or might require such shares to be allotted or such rights to be granted after the expiry of the said period and the Directors may allot any such shares and grant any such subscription and conversion rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution in accordance with the provisions of section 551(7)(b) of the Act.

SPECIAL RESOLUTION

3. **THAT**, in addition to all existing authorities, subject to the passing of resolutions 1 and 2 set out in the notice convening this meeting, the Directors be and are hereby empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them to allot such shares or grant such rights by resolution 2, up to a maximum nominal value of £732,334.06 as if subsection (1) of section 561 of the Act did not apply to any such allotment

In witness whereof, this agreement has been executed as of the date and year first above written.

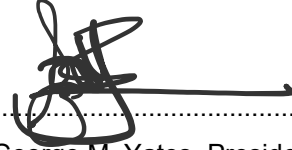
SIGNED by Mark Abbott)
Managing Director)
For and on behalf of **EGDON RESOURCES**)
PLC



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Mark Abbott, Managing Director

SIGNED by George M. Yates)
For and on behalf of **PETRICHOR PARTNERS,**)
LP)



.....
George M. Yates, President of HEYCO
International, Inc., the sole general partner of
PETRICHOR PARTNERS, LP