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**Dated January 2021**

**EGDON RESOURCES PLC**

# **CONVERTIBLE LOAN NOTE INSTRUMENT**

**Creating Up to £1,051,035 of nominal 8% unsecured Convertible Loan Notes 2021**

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THIS DEED is dated January 2021

## **PARTY**

**EGDON RESOURCES PLC** incorporated and registered in England and Wales with company number 06409716 whose registered office is at The Wheat House, 98 High Street, Odiham, Hook, Hampshire, RG29 1LP (**Company**).

## **BACKGROUND**

By exercising of the powers conferred on them by the Articles, the Directors of the Company have, by a resolution passed on 5 January 2021 and subject to the passing of the Resolutions at the General Meeting, created £1,051,035 nominal 8% unsecured convertible loan notes and have agreed to constitute them in the following manner.

## **AGREED TERMS**

### **1. Interpretation**

1.1 The definitions and rules of interpretation in this clause apply in this Instrument.

1.2 **Adjustment Event:** any or all of the following, at any time, or by reference to any record date, while the Notes remain in issue:

1.2.1 any allotment or issue of Equity Securities by the Company by way of capitalisation of profits or reserves;

1.2.2 any cancellation, purchase or redemption of Equity Securities, or any reduction or repayment of Equity Securities, by the Company;

1.2.3 any sub-division or consolidation of Equity Securities by the Company;  
and

1.2.4 any issue of securities or other instruments convertible into shares in, or Equity Securities of, the Company or any grant of options, warrants or other rights to subscribe for, or call for the allotment or issue of, shares in, or Equity Securities of, the Company,

but excluding any issue of Equity Securities of the Company pursuant to the exercise of any options granted to employees or directors of the Company.

AIM: the market of that name operated by London Stock Exchange plc.

1.3 **Articles:** the articles of association of the Company, as amended or superseded.

- 1.4 **Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks are open for business.
- 1.5 **Certificate:** a certificate for Notes in the form (or substantially in the form) set out in Schedule 1.
- 1.6 **Change of Control:** the acquisition of control of the Company (as defined in section 1124 of the Corporation Tax Act 2010) by any person or persons acting in concert (as defined in the City Code on Takeovers and Mergers) with them.
- 1.7 **City Code:** the City Code on Takeovers and Mergers in force at the date of this instrument
- 1.8 **Concert Party:** any group of persons acting in concert in relation to the Company (as defined in the City Code)
- 1.9 **Conditions:** the conditions attaching to the Notes, as set out in Schedule 2 (as amended from time to time in accordance with this Instrument).
- 1.10 **Conversion Date:** in respect of a valid Conversion Notice, a date determined by the Company being no later than 10 (ten) Business Days after the date of service of that Conversion Notice
- 1.11 **Conversion Notice:** a notice in writing by a Noteholder to the Company to convert some or all of the outstanding Notes registered in its name, in the form set out in Schedule 4.
- 1.12 **Conversion Price:** 1.55 pence per share
- 1.13 **Directors:** the board of directors of the Company, or a duly authorised committee of that board, for the time being.
- 1.14 **Equity Securities:** has the meaning given to "ordinary shares" in section 560(1) of the Companies Act 2006.
- 1.15 **Event of Default:** any of the events set out in paragraph 5 of Part 1 of Schedule 2.
- 1.16 **General Meeting:** the general meeting of the Company convened for 10.00 a.m. at the Wheat House, 98 High Street, Odiham, Hampshire RG29 1LP on 22 January 2021 by the Notice of GM and any adjournment thereof.
- 1.17 **Investor Majority:** the holders of 75% (seventy five percent) of the nominal amount of the Notes outstanding.

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- 1.18 **Notes:** up to £1,051,035 nominal 8% unsecured convertible loan notes 2021 constituted by this Instrument or, as the case may be, the principal amount of such loan notes for the time being issued and outstanding, and **principal amount** shall be construed accordingly.
- 1.19 **Noteholder:** a person for the time being entered in the Register as holder of any Notes.
- 1.20 **Notice of GM:** means the notice dated 6 January 2021 convening the General Meeting, pursuant to which the Resolutions are being proposed.
- 1.21 **Ordinary Shares:** the ordinary shares of £0.01 each in the capital of the Company, which have the rights set out in the Articles.
- 1.22 **Petrichor:** Petrichor Holdings Coöperatief, a company incorporated in the Netherlands with registered address at Kabelweg 37, 1014 BA Amsterdam.
- 1.23 **Redemption Date:** the date falling 12 (twelve) months from date of the issue of the Notes.
- 1.24 **Register:** a register of Noteholders referred to in, and kept and maintained in accordance with, clause 8.
- 1.25 **Registered Office:** the registered office of the Company from time to time.
- 1.26 **Resolutions:** the resolutions set out in the Notice of GM.
- 1.27 Clause, Schedule and paragraph headings shall not affect the interpretation of this Instrument.
- 1.28 References to clauses and Schedules are to the clauses of and Schedules to this Instrument and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.29 The Schedules (including, for the avoidance of doubt, the Conditions) form part of this Instrument and shall have effect as if set out in full in the body of this Instrument. Any reference to this Instrument includes the Schedules.
- 1.30 A reference to **this Instrument, the Conditions** or to any other agreement or document referred to in this Instrument or the Conditions is a reference to this Instrument (which shall include the Conditions), the Conditions or such other agreement or document as varied or novated in accordance with their terms from time to time.

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- 1.31 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.32 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.33 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns.
- 1.34 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.35 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006
- 1.36 A reference to **writing** or **written** includes fax and e-mail (unless otherwise expressly provided in this Instrument).
- 1.37 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.38 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.39 A reference to a statute or statutory provision is a reference to it as it is in force as at the date of this Instrument.
- 1.40 A reference to a statute or statutory provision shall include all subordinate legislation made as at the date of this Instrument under that statute or statutory provision.
- 1.41 Any obligation on a person not to do something includes an obligation not to allow that thing to be done.
- 1.42 A reference in this Instrument to:
- 1.42.1 any Notes being **outstanding** means such Notes as are in issue, not redeemed, not converted and not cancelled at the relevant time;
  - 1.42.2 the **assets** of any person shall be construed as a reference to all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;

1.42.3 **indebtedness** shall be construed as a reference to any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;

1.42.4 **repayment** includes redemption and vice versa and the words **repay, redeem, repayable, redeemed** and **repaid** shall be construed accordingly;

1.42.5 **£** or **sterling** denotes the lawful currency of the United Kingdom; and

1.42.6 **tax** shall be construed so as to include any present and future tax, levy, impost, deduction, withholding, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

1.43 Unless the context otherwise requires, a reference to the **Notes** includes a reference to all and/or any of the Notes.

## 2. **Amount and description of notes**

2.1 The aggregate principal amount of the Notes is limited to £1,051,035 (one point zero five one zero three five million pounds).

2.2 The Notes shall be known as 8% unsecured convertible loan notes 2021 and shall be issued by the Company in integral multiples of £1.

## 3. **Status of notes**

3.1 The Notes when issued and outstanding shall rank pari passu, equally and rateably, without discrimination or preference among themselves and as unsecured obligations of the Company.

3.2 Subject to the passing of the Resolutions, the Notes shall be issued and held subject to and with the benefit of the provisions of this Instrument (including the Conditions). All such provisions shall be binding on the Company and the Noteholders and all persons claiming through or under them respectively and shall enure for the benefit of all Noteholders.

## 4. **Use of Proceeds**

The proceeds of all subscriptions for the Notes shall be used to fund the Company's working capital and capital expenditure requirements for the time being.

5. **Repayment of Notes**

5.1 The Notes shall be repaid in accordance with Part 1 of Schedule 2.

5.2 All Notes repaid by the Company shall be automatically and immediately cancelled and shall not be reissued.

6. **Interest**

Until the Notes are repaid by the Company or converted into Shares, in each case in accordance with the provisions of this Instrument, interest shall accrue and be paid on the principal amount of the Notes outstanding at the rate and in the manner provided in Part 1 of Schedule 2.

7. **Certificates**

7.1 Each Noteholder (or the joint holders of any Notes) shall be entitled to receive, without charge, one Certificate for the Notes registered in his (or their) names.

7.2 Where any Notes are held jointly, the Company shall not be bound to issue more than one Certificate in respect of such Notes and delivery of a Certificate to the person who is first named in the Register as Noteholder shall be sufficient delivery to all joint holders of such Notes.

7.3 Each Certificate shall:

7.3.1 bear a denoting number;

7.3.2 be issued and executed by the Company as a deed in the form (or substantially in the form) set out in Schedule 1; and

7.3.3 have the Conditions endorsed on or attached to it.

7.4 In the case of repayment or transfer of part only of a Noteholder's Notes, the Certificate(s) in respect of such Notes shall be either:

7.4.1 endorsed with a memorandum of the nominal amount of the Notes so redeemed or transferred and the date of such repayment or transfer; or

7.4.2 cancelled and (without charge) replaced by a new Certificate for the balance of the principal amount of the Notes not then repaid or transferred.



8. **The Register**

8.1 The Company shall keep and maintain the Register at the Registered Office or (subject always to the provisions of section 743 of the Companies Act 2006) at such other place as the Company may from time to time appoint for this purpose and notify to the Noteholders.

8.2 There shall be entered in the Register:

8.2.1 the names and addresses of the Noteholders for the time being;

8.2.2 the principal amount of the Notes held by each Noteholder;

8.2.3 the date of issue of each of the Notes and the date on which the name of each Noteholder is entered in the Register in respect of the Notes registered in his name;

8.2.4 the serial number of each Certificate issued and the date of its issue; and

8.2.5 the date(s) of all transfers and changes of ownership of any of the Notes.

8.3 The Company shall promptly amend the Register to record any change to the name or address of a Noteholder that is notified in writing to the Company by that Noteholder.

8.4 The Noteholders or any of them, or any person authorised by a Noteholder, shall be at liberty at all reasonable times during office hours to inspect the Register and to take copies of or extracts from it or any part of it.

8.5 Every Noteholder shall be recognised by the Company as entitled to his Notes free from any equity, set-off or cross-claim against the original or an intermediate holder of such Notes.

9. **Notes not to be quoted**

No application has been, or shall be, made to any investment exchange (whether in the United Kingdom or otherwise) for permission to deal in, or for an official or other listing or quotation, in respect of the Notes.

10. **Set-off**

Payments of principal and interest in respect of the Notes shall be paid by the Company to the Noteholders in accordance with the Conditions without any deduction or

withholding (whether in respect of any set-off, counterclaim or otherwise whatsoever) unless the deduction or withholding is required by law.

11. **Meetings of Noteholders**

Meetings of the Noteholders shall be convened and held in accordance with the provisions of Schedule 3.

12. **Confidentiality**

12.1 Neither the Company nor the Noteholders will disclose the terms of the Notes, the identity of the Noteholders or the conversion or redemption of any of the Notes SAVE as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

13. **Variation**

13.1 All or any of the rights for the time being attached to the Notes or other provisions of this Instrument may from time to time (whether or not the Company is being wound up) be altered or abrogated with the prior written consent of an Investor Majority. Any such alteration or abrogation shall be effected by way of deed poll executed by the Company and expressed to be supplemental to this Instrument.

13.2 Modifications to this Instrument which are of a minor nature or made to correct a manifest error may be effected by way of deed poll executed by the Company and expressed to be supplemental to this Instrument.

13.3 The Company shall, within 20 (Twenty) Business Days of making any variation pursuant to this clause 13, send to each Noteholder (or, in the case of joint holders, to the Noteholder named first in the Register) a copy of the deed poll (or other document) effecting the variation.

13.4 Any modification, alteration or abrogation made pursuant to clause 13.1 or clause 13.2 shall be binding on all the Noteholders.

14. **Enforcement and third-party rights**

14.1 From and after the date of this Instrument, and for so long as any Notes are outstanding or any amount is payable or repayable by the Company in respect of the Notes, the Company undertakes to duly perform and observe its obligations under this Instrument

14.2 Except as expressly provided in clause 14.3, a person who is not a party to this Instrument shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Instrument.

14.3 This Instrument shall operate for the benefit of all Noteholders and each Noteholder shall be entitled to sue for the performance or observance of the provisions of this Instrument in his own right so far as his own holding of Notes is concerned.

15. **Notices**

Any notice to be given to or by any Noteholder(s) for the purposes of this Instrument shall be given in accordance with the provisions paragraph 9 and paragraph 10 of Part 3 of Schedule 2.

16. **Governing law and jurisdiction**

16.1 This Instrument and the Notes and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.

16.2 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Instrument or the Notes or their subject matter or formation (including non-contractual disputes or claims).

This instrument has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

**SCHEDULE 1 - FORM OF CERTIFICATE**

**Certificate No. [NUMBER]**

**Date of Issue [DATE]**

**Amount £[AMOUNT]**

**EGDON RESOURCES PLC**

**£1,051,035 8% UNSECURED CONVERTIBLE LOAN NOTES 2021**

Created and issued pursuant to a resolution of [a duly appointed committee of] the board of directors of the Company passed on 5 January 2021.

**THIS IS TO CERTIFY THAT** [NAME OF NOTEHOLDER] is the registered holder of £[AMOUNT] of the £1,051,035 8% unsecured convertible loan notes 2021 constituted by an instrument entered into by the Company on 22 January 2021 (**Instrument**). Such Notes are issued with the benefit of and subject to the provisions contained in the Instrument and the Conditions endorsed on or annexed to this Certificate.

**Notes:**

1. The Notes are repayable and shall bear interest in accordance with the Conditions.
2. This Certificate must be surrendered to the Company before any transfer or repayment, whether of the whole or any part of the Notes comprised in it, can be registered or effected, or any new certificate issued in exchange.
3. Any change of address of the Noteholder(s) must be notified in writing signed by the Noteholder(s) to the Company at the Registered Office.
4. Subject to the Conditions, the Notes are transferable in amounts and in integral multiples of £1.
5. No transfer of any part of the Notes represented by this Certificate can be registered without production of this Certificate.
6. Words and expressions defined in the Instrument shall bear the same meaning in this Certificate and in the Conditions.
7. The Notes and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute

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or claim arising out of or in connection with the Notes or their subject matter or formation (including non-contractual disputes or claims).

8. A copy of the Instrument is available for inspection at the registered office of the Company.

This Certificate has been executed as a deed and is delivered and takes effect on the date of issue stated at the beginning of it.

Executed as a deed by **EGDON RESOURCES PLC**

acting by **[NAME OF DIRECTOR]** a director,

.....

SIGNATURE OF DIRECTOR

Director

in the presence of:

Witness Signature:.....

Name:.....

Address:.....

Occupation

Dated: [INSERT DATE]

## **SCHEDULE 2 - THE CONDITIONS**

### **Part 1 - Interest, repayment and redemption**

1. Interest
  - 1.1 Interest shall be payable on any outstanding Notes (so far as not converted under Schedule 2 Part 2) at a rate of 8% (eight per cent) per annum (**Interest Rate**)
  - 1.2 Any interest due under paragraph 1.1 shall be payable on the Redemption Date but may (at the election of a Noteholder) be converted in accordance with Part 2 of this Schedule.
  - 1.3 Interest shall accrue daily at the Interest Rate and shall be calculated on the basis of a 365-day year and the actual number of days elapsed from the date of issue of the Notes to the Redemption Date.
  - 1.4 If the Company fails to pay redemption monies when due, interest shall continue to accrue on the unpaid amount at the Interest Rate.
  - 1.5 Interest shall not be compounded but shall continue to accrue at the Interest Rate in accordance with paragraph 1.3 above.
2. Repayment of principal
  - 2.1 As and when the Notes (or any part of them) are to be redeemed in accordance with paragraph 4 of this Part 1 of Schedule 2, the Company shall pay the Noteholders the principal amount of the Notes which are to be redeemed.
  - 2.2 The Company may, with the consent of the Investor Majority, repay the Notes in full or in part without penalty prior to the Redemption Date, together with the interest accrued thereon at the Interest Rate between the date of issue and the date of such repayment.
3. Time of payment

Whenever any payment of principal (or otherwise) becomes due on a day which is not a Business Day, payment shall be made on the next following Business Day.
4. Redemption
  - 4.1 Unless converted pursuant to Part 2 of this Schedule, the Notes then in issue (so far as not previously repaid in accordance with paragraph 2.2 of this Schedule 2) shall be redeemed at the Redemption Date at the principal amount together with interest on the Notes outstanding at the Interest Rate.

5. Events resulting in immediate redemption

The Notes then in issue shall be immediately redeemed at the principal amount, together with interest on the Notes outstanding at the Interest Rate, if:

- 5.1.1 an administration order is made in relation to the Company or any of its subsidiaries; or
- 5.1.2 an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company or any of its subsidiaries (except for the purpose of reorganisation or amalgamation of the Company or any of its subsidiaries); or
- 5.1.3 an encumbrance takes possession or a receiver is appointed of the whole or the major part of the assets or undertaking of the Company or any of its subsidiaries or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of the Company or any of its subsidiaries and is not discharged, paid out, withdrawn or removed within 20 (Twenty) Business Days; or
- 5.1.4 the Company or any of its subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business; or
- 5.1.5 the Company or any of its subsidiaries is deemed for the purposes of section 123 Insolvency Act 1986 to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally.

6. Action following redemption

- 6.1 The Company shall give written notice to the Noteholders immediately on the Company becoming aware of the occurrence of an event specified in paragraph 5, giving reasonable details of that event.
- 6.2 If, on redemption of a Note, a Noteholder fails to deliver the Certificate for it, or an indemnity in accordance with these Conditions or to accept payment of moneys due to him, the Company shall pay the moneys due to him into a bank account which payment shall discharge the Company from all further obligations in respect of the Note.

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6.3 The Company shall cancel any Notes repaid, redeemed or purchased and shall not reissue them.

7. Right to withhold

The Company may deduct from any principal amount or interest payable in accordance with the Conditions any tax or other amounts which the Company may be required by law to deduct.

## **Part 2 - Conversion**

### **1. Conversion**

1.1 Subject to paragraph 1.2 and paragraph 1.3 of this Part 2 of Schedule 2, a Noteholder may convert some or all of the Notes registered in his name into fully paid Ordinary Shares at the Conversion Price by service of a Conversion Notice.

1.2 Each Noteholder shall have the right to serve a Conversion Notice on the Company at any time but not less than 5 (five) Business Days prior to the Redemption Date

1.3 The service of a Conversion Notice shall be irrevocable without the consent of the Company.

### **2. Procedures on conversion**

2.1 On a Conversion Date, the Directors shall convert the principal amount of the Notes into such number of new fully paid Ordinary Shares at the Conversion Price to be converted on such date plus the full amount of interest which would be payable on such Notes if redeemed on the Redemption Date subject to any adjustment as set out in paragraph 2.7 and in accordance with the following provisions of paragraph 2.2 to paragraph 2.6 (inclusive).

2.2 Conversion of the Notes shall be effected by the Company redeeming the relevant Notes on the relevant Conversion Date. Each Noteholder whose Notes are being converted shall be deemed to irrevocably authorise and instruct the Company to apply the redemption moneys payable to that Noteholder in subscribing for Shares on conversion of the Notes.

2.3 Shares arising on conversion of the Notes shall be issued and allotted by the Company on the Conversion Date unless the Noteholder has elected for the shares to be deposited into CREST, the certificates for such Shares shall be despatched to the persons entitled to them at their own risk. If the Noteholder has so elected then the shares shall be deposited into the nominated CREST account no later than the Business Day following the Conversion Date. Each Share arising on conversion shall



be issued and allotted at such premium to reflect the difference between the nominal amount of the Share and the principal amount of Notes converted into one Share on the Conversion Date. Within two Business Days of the Conversion Date the Company shall apply for the Ordinary Shares issued to be admitted to AIM.

- 2.4 The Ordinary Shares arising on conversion of the Notes shall be credited as fully paid and rank pari passu with the Ordinary Shares in issue on the Conversion Date and shall carry the right to receive all dividends and other distributions declared after the Conversion Date.
- 2.5 The entitlement of each Noteholder to a fraction of a Share shall be rounded to the nearest whole number of Shares which result from the conversion of the Notes.
- 2.6 The Company undertakes that, while the Notes remain in issue, it shall (pending either the payment of any redemption moneys in respect of the Notes or the issue of the Shares on conversion, each in accordance with the provisions of this Instrument):
- 2.6.1 not alter the Articles in any way which would adversely affect the rights of the Noteholders without the prior sanction of a Special Resolution;
  - 2.6.2 notify each Noteholder in writing as soon as reasonably practicable after the relevant board or general meeting of shareholders (whichever is the earliest) has resolved to implement an Adjustment Event specifying the prospective date of the Adjustment Event and the proposed terms of it; and
  - 2.6.3 maintain shareholder authority to satisfy in full, without the need for the passing of any further resolutions of its shareholders, the most onerous of the outstanding rights of conversion for the time being attaching to the Notes pursuant to paragraph Part 2 of Schedule 2, without first having to offer the same to any existing shareholders of the Company or any other person;
- 2.7 Following an Adjustment Event, the professional advisors or auditors of the Company for the time being shall certify to the Company in writing the adjustments to the number and nominal value of the Ordinary Shares to be converted and/or the Conversion Price which they consider to be necessary so that, after such adjustment and on conversion, the Noteholders shall be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Company, in each case as nearly as practicable, as would have been the case had no Adjustment Event occurred (and making such

reduction or increase as is necessary to the premium arising on the issue and allotment of the Shares on conversion of the Notes). The Company shall then notify the Noteholders in writing of the necessary adjustment as determined by the professional advisors or auditors.

### **Part 3 - Transfer provisions and other matters**

1. The Company shall recognise the registered holder of any Notes as the absolute owner of them and shall not (except as provided by statute or as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Note may be subject. The Company shall not (except as provided by statute or as ordered by a court of competent jurisdiction) be bound to enter any notice of any trust (whether express, implied or constructive) on the register in respect of any of the Notes.
2. Save with the prior written consent of the Company (which shall not be unreasonably withheld), the Notes are only transferable by a Noteholder to Petrichor or to any person in a Concert Party with Petrichor. The Notes are transferable in accordance with this Schedule 2 Part 3 in integral multiples of £1 by instrument in writing in the usual common form (or in such other form as the Directors may approve) and such instrument need not be under seal.
3. Each instrument of transfer shall be signed by the transferor, and the transferor shall be deemed to remain the owner of the Notes to be transferred until the name of the transferee is entered in the register in respect of such Notes.
4. Each instrument of transfer shall be sent to, or left for registration at, the registered office of the Company for the time being, and shall be accompanied by the Certificate(s) for the Notes to be transferred and any other evidence that the Company may require to prove the title of the transferor or his right to transfer the Notes (and, if such instrument is executed by some other person on his behalf, the authority of that person to do so). All instruments of transfer that are registered may be retained by the Company.
5. No transfer of Notes shall be registered in respect of which a Conversion Notice has been given.
6. Payment of the principal amount and all accrued interest on the Notes may be made by cheque made payable to, or by bank transfer to an account nominated for the purpose to the Company in writing by, the registered holder or, in the case of joint registered holders, to the one who is first-named on the register, or to such person or persons as the registered holder or all the joint registered holders may in writing direct

and send to the registered holder or in the case of joint registered holders to that one of the joint registered holders who is first-named on the register or to such address as the registered holder or joint registered holders may in writing direct. Cheques may be sent through the post at the risk of the registered holder or jointly registered holders and payment of any such cheque by the bankers on whom it is drawn, or a bank transfer to the relevant account, shall be good discharge to the Company.

7. If more than one person is entered in the register as joint holders of any Notes then, without prejudice to paragraph of 6 of this Part 3 of Schedule 2, the receipt of any one of such holders for any moneys payable on or in respect of the Notes shall be as effective a discharge to the Company or other person making the payment as if the person signing such receipt were the sole registered holder of such Notes.
8. If any Certificate is worn out or defaced then, on production of it to the Directors, they may cancel it and may issue a fresh Certificate in lieu. If any Certificate is lost or destroyed it may be replaced on such terms (if any) as to evidence and indemnity as the Company may reasonably require. An entry recording the issue of the new Certificate and indemnity (if any) shall be made in the register. No fee shall be charged for the registration of any transfer or for the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other documents relating to or effecting title to any Notes.
9. Any notice or other document required to be given under this Instrument shall be in writing and may be given to or served on any Noteholder by sending it by first-class post in a prepaid envelope addressed to such Noteholder at his registered address. In the case of joint Noteholders, a notice given to, or document served on, the Noteholder whose name stands first in the register in respect of such Notes shall be sufficient notice to, or service on, all the joint holders. Any such notice sent or document served by first-class post shall be deemed to have been given or served 48 hours or 96 hours in the case of a notice or document sent to an address for a Noteholder not in the United Kingdom after the time when it is posted and in proving such notice or service, it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted.
10. Any notice or other document delivered or sent by post to, or left at, the registered address of any Noteholder in pursuance of these provisions shall, notwithstanding that such Noteholder is then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any Notes registered in the name of such Noteholder as sole or first-named joint holder unless his name shall at the time of the service of the notice or document have been removed from the register as the holder of the Notes, and such service shall for all purposes be deemed sufficient service of

such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Notes.

11. A copy of this Instrument shall be kept at the Company's registered office. A Noteholder (and any person authorised by a Noteholder) may inspect that copy of the Instrument at all reasonable times during office hours.

### **SCHEDULE 3- MEETINGS OF THE NOTEHOLDERS**

1. The Company may at any time convene a meeting of Noteholders. In addition, the Company shall at the written request of the holders of not less than one-tenth in nominal amount of the outstanding Notes convene a meeting of the Noteholders. Any meeting shall be held at such place as the Company may designate.
2. At least 14 days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) of every meeting shall be given to the Noteholders. The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted, but it shall not be necessary (except in the case of a Special Resolution) to specify in the notice the terms of any resolution to be proposed. The accidental omission to give notice to, or the non-receipt of notice by, any of the Noteholders shall not invalidate the proceedings at any meeting. A meeting of the Noteholders shall, despite being called at shorter notice than specified above, be deemed to have been duly called if it is agreed in writing by all of the Noteholders.
3. At any meeting the quorum shall be two Noteholders holding, or representing by proxy, at least 25% in nominal amount of the outstanding Notes. No business (other than choosing a Chairman) shall be transacted at any meeting unless the requisite quorum is present.
4. If a quorum is not present, within half an hour from the time appointed for the meeting, the meeting shall be dissolved if it was convened on the requisition of Noteholders. In any other case, it shall stand adjourned to such day and time (at least 14 days later, but not more than 28 days later) and to such place as may be appointed by the Chairman. At such adjourned meeting, two Noteholders present in person (or by proxy) and entitled to vote shall constitute a quorum (whatever the nominal amount of the Notes held by them). At least 14 days' notice of any adjourned meeting of Noteholders shall be given (in the same manner *mutatis mutandis* as for an original meeting). That notice shall state that two Noteholders present in person (or by proxy) at the adjourned meeting (whatever the nominal amount of Notes held by them) shall form a quorum.
5. A person (who may but need not be a Noteholder) nominated by the Company shall be entitled to take the chair at every such meeting but, if no such person is nominated or if the person nominated is not present at the meeting within five minutes after the time appointed for holding the meeting, the Noteholders present shall choose one of their number to be Chairman. Any Director or officer of, any Secretary of, and the solicitors to, the Company and any other person authorised in that behalf by the Company may attend at any such meeting.
6. Each question submitted to a meeting of Noteholders shall, unless a poll is demanded, be decided by a show of hands.

7. At any meeting of Noteholders unless a poll is demanded by the Chairman or by one or more Noteholders present in person or by proxy and holding or representing in the aggregate not less than one-twentieth in nominal amount of the outstanding Notes (before or on the declaration of the result of the show of hands), a declaration by the Chairman that a resolution has been carried by the requisite majority, lost or not carried by the requisite majority shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
8. If a poll is duly demanded, it shall be taken in such manner and (subject as set out below) either at once or after an adjournment as the Chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the meeting from continuing for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.
9. If there is an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a casting vote in addition to the vote(s) (if any) to which he may be entitled as a Noteholder or as a proxy.
10. The Chairman may, with the consent of (and shall if so directed by) any meeting at which a quorum is present, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting from which the adjournment took place.
11. Any poll demanded at any meeting on the election of a Chairman, or on any question of adjournment, shall be taken at the meeting without adjournment.
12. On a show of hands, each Noteholder who is an individual and is present in person or (being a corporation) is present by its duly authorised representative or by one of its officers as its proxy, shall have one vote. On a poll, each Noteholder present in person or by proxy, shall have one vote for every £1 nominal of Notes held by him and a person entitled to more than one vote need not (if he votes) use all his votes or cast all the votes he uses in the same way.
13. In the case of joint registered Noteholders any one of them shall be entitled to vote in respect of such Notes either in person or by proxy and, in the latter case, as if the joint holder were solely entitled to such Notes. If more than one joint holder is present at any meeting either personally or by proxy that one joint holder so present whose name as between himself and the other or others present stands first in the register as one of the joint holders shall alone be entitled to vote in person or by proxy.
14. Each instrument appointing a proxy must be in writing and duly executed by the appointor or his duly authorised attorney or, in the case of a corporation under its

common seal or duly executed by a duly authorised attorney or officer. The Chairman may (but shall not be bound to) require evidence of the authority of any attorney or officer. A proxy need not be a Noteholder.

15. An instrument of proxy shall be in the usual or common form or in any other form that the Directors may accept. The proxy shall be deemed to include the right to demand or join in demanding a poll. A proxy shall, unless stated otherwise, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.
16. The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, shall be deposited at the place specified in (or in any document accompanying) the notice convening the meeting. If no such place is specified, the proxy shall be deposited at the registered office of the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or for taking of the poll at which the person named in that instrument proposes to vote. In default, the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the revocation of the proxy or of the authority under which the proxy is given, unless notification in writing of the revocation has been received at the registered office of the Company or at such other place (if any) specified for the deposit of instruments of proxy in the notice convening the meeting (or any document accompanying it) 48 hours before the commencement of the meeting or adjourned meeting or the taking of the poll at which the vote is given.
17. Without prejudice to any of the powers conferred on the Company under any of the provisions of the Instrument, a meeting of the Noteholders shall, in addition to any other powers, have the following powers exercisable by Special Resolution:
  - (a) power to sanction the exchange or sale of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, debenture stock or other obligations or security of the Company or any other company formed or to be formed (other than as set out in the Conditions);
  - (b) power to sanction any abrogation, modification or compromise of, or any arrangement in respect of, the Noteholders' rights against the Company, provided the same has been previously approved in writing by the Company, whether those rights shall arise under the Instrument, the Notes or otherwise;
  - (c) power to assent to any modification of the provisions contained in the Instrument and the Conditions and to authorise the Company to execute any

supplemental instrument embodying any such modification. Any such modification shall be proposed by the Company; and

- (d) power to:
  - (i) modify the date fixed for final redemption of the Notes;
  - (ii) reduce or cancel the principal amount payable on the Notes;
  - (iii) reduce the amount payable or modify the method of calculating the amount payable on the Notes; or
  - (iv) modify the dates for payment in respect of any interest, on the Notes.

- 18. A Special Resolution passed at a meeting of the Noteholders shall be binding on all the Noteholders whether or not they are present at the meeting. Each of the Noteholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify passing it (so that the meeting may determine without appeal whether or not the circumstances justify passing it).
- 19. **Special Resolution**, when used in the Conditions, means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the Conditions, and carried by an Investor Majority.
- 20. A resolution in writing signed by or on behalf of the Investor Majority of the Noteholders shall, for all purposes, be as valid and effectual as a Special Resolution passed at a meeting duly convened and held in accordance with the Conditions. Such resolution in writing may be contained in one document or in several documents in similar form, each signed by one or more Noteholders.
- 21. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Company. Any minutes, if purporting to be signed by the Chairman of the meeting or by the Chairman of the next succeeding meeting of the Noteholders, shall be conclusive evidence of the matters stated in them. Until the contrary is proved, every meeting for which minutes have been made and signed shall be deemed to have been duly held and convened, and all resolutions passed at the meeting to have been duly passed.



Execution version

#### **SCHEDULE 4 - NOTICE OF EXERCISE**

To: The Directors, EGDON RESOURCES PLC, The Wheat House, 98 High Street, Odiham, Hook, Hampshire, RG29 1LP<sup>1</sup>

Date:<sup>2</sup>

From:

Name of registered Noteholder<sup>3</sup>:

Address of registered Noteholder:

#### **£1,051,035 nominal 8% Unsecured Convertible Loan Notes 2021 (“Notes”)**

I/We hereby give you notice of the conversion of £\_\_\_\_\_<sup>4</sup> nominal of the Notes registered in my/our name as evidenced by the enclosed Certificate, and all associated interest, in accordance with the terms of the Instrument dated 22 January 2021 (the “Instrument”).

I/We direct the Company to procure the allotment to me/us of the Ordinary Shares to be issued on conversion, in accordance with the terms of the Instrument, to be held subject to the Articles, either by depositing the shares into the CREST account of which details appear below, or in certificated form, as follows:

#### ***EITHER***

*[If you wish the shares to be deposited into CREST please complete CREST details below<sup>5</sup>:]*

|                       |  |
|-----------------------|--|
| CREST Participant ID: |  |
| CREST Account:        |  |

#### ***OR***

<sup>1</sup> This is the registered office at the date of the Instrument. Substitute the new address if the registered office has changed prior to signature of the conversion notice.

<sup>2</sup> Insert the date of signature of this conversion notice.

<sup>3</sup> Please complete with the name and address of the Noteholder, which must be the same as shown on the Loan Note certificate.

<sup>4</sup> Insert the nominal value of the Notes you wish to convert. If you leave this blank the Conversion Notice will be deemed to relate to all the Notes the subject of the enclosed Certificate or, if no Certificate is enclosed, all Notes registered in your name.

<sup>5</sup> If you leave these boxes blank your shares will be issued in certificated form.

Execution version

I/We request that a Certificate in my/our name for the shares to be issued should be sent at my/our own risk to<sup>6</sup>:

Address:

Marked for the attention of (name):

Terms defined in the Instrument have the same meanings when used in this Notice of Exercise.

***If the Noteholder is an individual, please complete and sign here:***

Signed by \_\_\_\_\_<sup>7</sup>

(Signature) .....

***If the Noteholder is a corporation, please complete and sign here:***

Signed by \_\_\_\_\_<sup>8</sup> for and on behalf of \_\_\_\_\_<sup>9</sup>

(Signature of Director) .....

Director

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<sup>6</sup> Please complete with the name and address of the person to whom the share certificate should be sent.

<sup>7</sup> Please complete with your name and sign

<sup>8</sup> Insert name of director signing the notice

<sup>9</sup> Insert name of corporate Noteholder here

Execution version

Executed as a deed by .....

**EGDON RESOURCES PLC**

acting by **MARK ABBOTT**, a

director in the presence of

SIGNATURE OF DIRECTOR

Director

.....

SIGNATURE OF WITNESS

Name:.....

Address:.....

.....

.....

Occupation:.....