Somerset MINERALS LTD

UPDATED ANNOUNCEMENT
RECEIPT OF NON-BINDING INDICATIVE PROPOSAL — CONDOR GOLD S.A. (ECUADOR)

Further to Somerset Minerals Limited (ASX: SMM) ("**Somerset**" or the "**Company**") announcement dated 23 July 2026, Somerset confirms that it has received a confidential, non-binding and indicative proposal from a large international mining company, Lundin Gold Inc. (TSX: LUG) ("**Lundin Gold**") in relation to the potential acquisition of the Company's wholly-owned Ecuadorian subsidiary, Condor Gold S.A.

Condor Gold S.A. holds the Río Zarza and Valle del Inca 1 mining concessions, together with approximately 500 hectares of associated freehold surface rights, located in the Zamora-Chinchipe Province of south-east Ecuador, which are non-core to the Company's principal exploration focus on its Canadian project portfolio. Should a transaction proceed, the Company currently intends to apply any sale proceeds towards advancing its Canadian exploration program.

The proposal received was non-binding and incomplete and remains subject to various customary conditions, including, the completion of due diligence, the negotiation and execution of definitive transaction documentation, and the receipt of all required approvals. The proposal received include a suggested exclusivity period of 90 days and on completion of the transaction contemplated total consideration payable to Somerset of US $5.25 million (~A $7.5 million[1]).

There is no certainty that the proposal will result in a transaction, or as to the total consideration, terms, or timing on which any transaction might ultimately proceed.

The Company is assessing the proposal as part of its ongoing strategic review of the Condor Gold assets and will keep the market informed in accordance with its continuous disclosure obligations under the ASX Listing Rules.

This announcement is authorised by the Board of Directors.

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ABOUT SOMERSET MINERALS LIMITED

Somerset Minerals Limited ("Somerset") (ASX: SMM) is a growth-oriented copper exploration company focused primarily on its flagship Coppermine Project in Nunavut, Canada. The Company also holds the Prescott Project in Nunavut, interpreted to host an anticlinal repetition of the same geological formation as American West Metals Limited's (ASX: AW1) Storm Copper Project[2]. In addition, Somerset has two exploration projects in south-east Ecuador — the Rio Zarza and Valle del Tigre projects.

[1] USD:AUD of 1.43
[2] Refer to AW1'S ASX Announcement on 30/01/2024 - Maiden JORC MRE for Storm. There is no certainty that further work by the Company will lead to achieving the same size, shape, grade, or form of the comparison resource. The Company's project is in a different stage of development and further exploration needs to be undertaken to further prove or disprove any comparison.

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