

2 September 2022

Mustang Energy PLC

VRFB-H Investment Update

As announced on 27 April 2021, the Company acquired a 22.1% interest ("Acquisition (Stage 1)") in VRFB Holdings Limited ("VRFB-H"), a joint venture partner in Enerox Holdings Limited ("EHL"), for a consideration of US\$7,524,000 (the "Investment Agreement"). The investment was financed through the issue of US\$8,000,000 Convertible Loan Notes ("CLNs") to several investors ("Noteholders") bearing 10% interest per annum, with surplus funds being used to pay costs associated with the investment and working capital.

As announced on 29 March 2022, a condition of the CLNs is that if the Company's shares were not readmitted to the Official List (by way of a Standard Listing) and to trading on the London Stock Exchange's main market for listed securities ("Readmission") by 31 July 2022 or such later date as agreed between the Company and the Noteholders (the "Maturity Date"), the Company has the right to require Bushveld Minerals Limited ("BMN"), in return for the Company transferring to Bushveld Energy Limited (a 84% owned subsidiary of BMN) ("BEL") all its shares in VRFB-H (or such number of shares as the Company would be required to transfer to BEL pursuant to the Investment Agreement, to issue to each Noteholder such number of new ordinary shares in BMN (at a price equal to the 20 day volume weighted average price of a new BMN ordinary share prior to the date of issue) as is equivalent to the principal amount of each Noteholder's CLNs together with all accrued and unpaid interest thereon (the "Backstop").

BEL holds a 50.5% interest in VRFB-H. Acacia Resources Limited ("Acacia"), which currently has a 24.03% shareholding in the Company, owns the remaining 27.4% interest of VRFB-H.

As announced on 3 August 2022, the Company and Acacia have entered into a conditional Share Exchange Agreement pursuant to which the Company proposes to acquire Acacia's 27.4% shareholding in VRFB-H ("Acquisition (Stage 2)") for a consideration of US\$10,548,945 to be converted to GBP:£ using an exchange rate of GBP£1.00/US\$1.225 and to be satisfied by the proposed issue of 43,056,989 new ordinary shares in the capital of the Company issued at 20 pence each (the "Consideration Shares").

The parties to the Investment Agreement, including the Company, have agreed to extend the Maturity Date until 28 October 2022 to allow for the finalisation of a prospectus and review process of that prospectus by the Financial Conduct Authority ("FCA") in connection with Readmission, a process that has commenced.

Additionally, the Company has been notified by a Noteholder of CLNs (the "Redeeming Noteholder") with a principal amount of US\$1.25 million (and accrued and unpaid interest thereon) that it wishes to effect the Backstop in respect of its CLNs (the "Backstop CLNs"). BMN and the Redeeming Noteholder are currently in discussions to finalise the arrangements to effect the Backstop CLNs.

ENQUIRIES

For further information, please visit www.mustangplc.com , follow us on Twitter [@Mustang_Plc](https://twitter.com/Mustang_Plc) , or contact:

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