

Private & Confidential

Dated 16 August 2023

MUSTANG ENERGY PLC (1)

AND

BUSHVELD MINERALS LIMITED (2)



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AMENDED AND RESTATED LOAN AGREEMENT

THIS AGREEMENT is made 16 August 2023

BETWEEN:

- (1) **MUSTANG ENERGY PLC**, a company incorporated in England and Wales with registered number 11155663 whose registered office is at 48 Chancery Lane, C/O Keystone Law, London, England, WC2A 1JF (the **Borrower**); and
- (2) **BUSHVELD MINERALS LIMITED**, a company incorporated in Guernsey with registered number 54506 C2/GBL having its registered office at Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 3RH (the **Lender**).

BACKGROUND

- (A) The Lender has agreed to provide the Loan to the Borrower pursuant to the terms of this Agreement.
- (B) The Parties agree that the terms of this Agreement shall replace and supersede the terms of each of the loan agreement dated 25 January 2022 and the amended and restated loan agreement dated 10 January 2023 and made between the Parties in its entirety.

IT IS AGREED that:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, unless otherwise provided:

Business Day means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in London;

Capital Raise means any debt or equity capital (or combination of both) fundraise by the Borrower which raises, in aggregate, no less than £1 million;

Event of Default has the meaning given to it in Clause 8 (Events of Default);

Issue Price means in respect of a new Ordinary Share, the greater of (i) £0.20 per Ordinary Share;

and (ii) the average volume weighted average price (**VWAP**) of an Ordinary Share for the consecutive 10 dealing days ending on the dealing day immediately preceding the repayment date;

Loan means an aggregate US\$420,000 (comprised of the First Tranche Loan Amount and the Second Tranche Loan Amount, as set out in clause 2.1) made available under this Agreement to the extent not repaid;

Ordinary Share means an ordinary share of £0.01 in the capital of the Borrower;

Party means a party to this Agreement;

Potential Event of Default means an event that, with the giving of notice, lapse of time or other applicable condition, would be an Event of Default under Clause 8;

Term means the period commencing on the date of this Agreement to and including 31 December 2023;

Warrant a warrant to subscribe for an Ordinary Share on the terms of the Warrant Instrument; and

Warrant Instrument means the form of warrant instrument agreed between the parties setting out the terms on which the Borrower will grant Warrants to the Lender to subscribe for Ordinary Shares, with an exercise price per Warrant of 30p and having an exercise period of 12 months after the date of grant.

1.2 Interpretation

- (a) In this Agreement, unless the context otherwise requires:
 - (i) words in the singular include the plural and vice versa;
 - (ii) including means including without limitation;
 - (iii) where an act is required to be performed promptly, it shall be performed as soon as reasonably possible from the moment when the act could reasonably have been performed, having regard to all of the circumstances;
 - (iv) a time of day is a reference to London time;
 - (v) a reference to any Party shall be construed as including, where relevant, successors in title to that Party, and that Party's permitted assigns and transferees (if any);
 - (vi) a reference to a person includes individuals, unincorporated bodies, government entities, companies and corporations;
 - (vii) a reference to this Agreement or any other agreement is a reference to that document as amended, novated, supplemented, restated or replaced from time to time in accordance with its terms; and
 - (viii) references to legislation include any modification or re-enactment of such legislation.
- (b) An Event of Default is 'continuing' if it has not been waived in writing by the Lender and a Potential Event of Default is 'continuing' if it has not been remedied by the Borrower or waived in writing by the Lender.

1.3 Third party rights

- (a) Except as expressly provided for in this Agreement, a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the provisions of this Agreement.
- (b) The Parties may terminate or rescind this Agreement, or agree to any variation, waiver or settlement in connection with it, without the consent of any third party, whether or not it extinguishes or alters any entitlement they may have to enforce any of the provisions of this Agreement.

2 THE LOAN

2.1 Subject to the terms of this Agreement, the Lender agrees to provide the Loan to the Borrower in two tranches. The first tranche, in the amount of US\$220,000 (the **First Tranche Loan Amount**), was provided to the Lender on 26 January 2022. The second tranche, in the amount of US\$200,000 (the **Second Tranche Loan Amount**), shall be provided to or otherwise made available for drawdown by the Lender on 13 January 2023. The Second Tranche Loan Amount shall be paid by electronic funds transfer to the bank account of the Borrower, details of which are set out below:

| | |
|---------------------------------|--------------------------------------|
| Account name | Mustang Energy Plc |
| IBAN | GB32MYMB23058041286342 |
| Account number | 41286342 |
| Sort code | 23-05-80 |
| Bank | Metro Bank plc |
| Bank institution address | One Southampton Row, London WC1B 5HA |

2.2 The Borrower shall only use the Loan for its general working capital purposes.

2.3 The Loan shall not bear interest.

3 REPAYMENT

3.1 Mandatory repayment

Without prejudice to clause 3.2(a), the outstanding amount of the Loan shall be repayable in full to the Lender by the Borrower on the earlier to occur of:

- (a) completion of a Capital Raise; or
- (b) the last day of the Term.

3.2 Repayment at option of Borrower

At any time within the Term and subject at all times to the mandatory repayment provisions set out in clause 3.1, the Borrower may repay the Loan:

- (a) by way of a single repayment in cash to be made to the nominated bank account of the Lender; or

- (b) by way of an issue of such number of new Ordinary Shares at the Issue Price, as shall equal the Loan, such shares to be issued credited as fully paid in the name of the Lender (or its nominee) and ranking *pari passu* with the then existing Ordinary Shares, together with one Warrant (issued to the Lender or its nominee) for every two new Ordinary Shares issued pursuant to this clause 3.2(b).

3.3 Reborrowing

Any sums repaid, prepaid or waived under this Agreement may not be reborrowed, drawn down, utilised or reinstated.

4 CHANGE OF CIRCUMSTANCES

4.1 Change of law

If, as a result of (i) the introduction of or any change in any law, treaty or regulation or its interpretation or application or (ii) compliance with any of the same:

- (a) the Lender suffers a cost, an increased cost or a reduction in return either directly or indirectly as a result of it funding or maintaining the Loan or otherwise under this Agreement; or
- (b) any sum received or receivable by the Lender under this Agreement is reduced, the Borrower must, from time to time, on demand, indemnify the Lender for the full amount, as the case may be, of such cost, increased cost, reduction, reduction in return, liability or foregone interest or other return.

4.2 Illegality

If it becomes illegal for the Lender to perform its obligations under this Agreement:

- (a) it shall promptly notify the Borrower of this fact; and
- (b) the Borrower must promptly repay the Loan in full together with any other amounts owing under this Agreement.

5 COSTS, EXPENSES AND INDEMNITY

5.1 Each Party shall pay its own costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement.

5.2 The Borrower shall pay to the Lender on a full indemnity basis all costs, losses and

liabilities (including legal fees) incurred by the Lender arising at any time as a result of or in connection with:

- (a) the occurrence of an Event of Default as set out in Clause 8; or
- (b) the preservation and/or enforcement of any of the rights of the Lender under this Agreement.

6 INFORMATION UNDERTAKINGS

The undertakings in this Clause 6 remain in effect throughout the Term.

6.1 Notification of default

The Borrower must, promptly on becoming aware of the same, notify the Lender of the occurrence of any Event of Default or Potential Event of Default together with the steps being taken to remedy it (if applicable) and any default under any other agreement or instrument which is binding on it.

7 UNDERTAKINGS

7.1 Authorisations

The Borrower shall ensure that it has all authorisations, consents and licences necessary to enable it to enter into, deliver and perform its obligations under this Agreement and to enable it conduct its business in its current form.

7.2 Compliance with laws

The Borrower shall comply with all laws and regulations applicable to it.

8 EVENTS OF DEFAULT

8.1 The occurrence of any of the following is an Event of Default:

- (a) **Non-payment:** the Borrower fails to pay any amount payable by it under this Agreement on the date it falls due provided that such failure shall not be an Event of Default if it occurs solely for administrative or technical reasons and that such payment is received by the Lender within 2 (two) Business Days after the date it falls due; or
- (b) **Misrepresentation:** any representation or warranty contained in this Agreement or in any document or instrument delivered under or in connection with this

Agreement, is incorrect or misleading in any material respect when made or deemed to be made;

- (c) **Unlawfulness, invalidity:**
 - (i) it is or becomes unlawful for the Borrower to perform any of its obligations under this Agreement; or
 - (ii) it is or becomes unlawful for the Lender to exercise any of its rights under this Agreement; or
 - (iii) this Agreement becomes invalid or unenforceable or ceases to be in full force and effect for any other reason; or
 - (iv) the Borrower does or causes or permits to be done anything which evidences an intention to contest or repudiate this Agreement wholly or in part;
- (d) **Material adverse effect:** any event occurs which has a material adverse effect on the financial condition, results, operations or business of the Borrower in the reasonable opinion of the Lender; or
- (e) **Enforcement of security:** any step is taken to enforce any security over the undertaking, property, revenue or assets of the Borrower; or
- (f) **Insolvency**
 - (i) any action is taken for or with a view to the winding up of the Borrower; or
 - (ii) any steps are taken to appoint an administrator in respect of the Borrower pursuant to the Insolvency Act 1986, Schedule B1 and/or Insolvency (England and Wales) Rules 2016, SI 2016/1024 or the Borrower enters administration.
 - (iii) the Borrower is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986; or
 - (iv) the Borrower makes any proposal to, or enters into dealing with any of its creditors with a view to avoiding payment of its debts or, in expectation of insolvency, stops or threatens to stop payments generally; or
 - (v) any step is taken by the Borrower or its directors (or any agent of the

Borrower) to negotiate or obtain a moratorium in respect of any of its liabilities (including a statutory moratorium under the Insolvency Act 1986);

- (vi) an encumbrancer takes possession, or a receiver, administrative receiver or liquidator is appointed over the whole or any material part of the assets of the Borrower; or
- (vii) the Borrower is dissolved, or is removed from the Register of Companies, or ceases to exist (whether or not capable of reinstatement or reconstitution) or the directors or agents of the Borrower apply for the relevant company to be struck-off the Register of Companies or cause for the relevant company to be struck-off the Register of Companies or the Registrar of Companies strikes off, or takes any step towards striking off, the Borrower, from the Register of Companies.

8.2 Consequences

If an Event of Default occurs and is continuing, the Lender may, by notice to the Borrower, declare that:

- (a) the Loan, is payable on demand (in which case those amounts shall be immediately payable on demand);
- (b) the Loan, and any other amount due or becoming due to the Lender is immediately due and payable (in which case those amounts shall be immediately due and payable), and/or
- (c) it intends to exercise any or all of its rights, remedies, powers or discretions under this Agreement.

9 PAYMENTS

9.1 All sums payable by the Borrower under this Agreement shall be paid in US Dollars, unless otherwise agreed in writing, in full without any set-off or counterclaim and in cleared funds no later than 11 am on the day in question to such account as the Lender may have specified for this purpose.

9.2 Where the day on or by which any payment is to be made is not a Business Day, that payment must be made on or by the following Business Day.

10 TRANSFERS

10.1 Right of Lender to transfer

The Lender is entitled at any time to assign its rights or otherwise transfer all or any part of its rights or obligations under this Agreement with the prior consent of the Borrower, such consent not to be unreasonably withheld.

10.2 No right of Borrower to transfer

The Borrower is not entitled to assign its rights or otherwise transfer all or any part of its rights or obligations under this Agreement.

11 NOTICES

11.1 Any notice or other communication given by a party under this Agreement shall:

- (a) be in writing and in English; and
- (b) be signed by or on behalf of the party giving it.

11.2 Notices will be sent to the relevant party at the relevant address stated at the start of this agreement or as otherwise specified by the relevant party in writing to the other party.

11.3 Notices may be given and will be deemed received:

- (a) by hand: on delivery; or
- (b) by email: on receipt within business hours on a Business Day (or, if sent outside of business hours, on the next following Business Day) if sent to the correct email address and no notice of delivery failure is received; **business hours** shall mean 9:00 a.m. to 5:30 p.m. in the place of receipt.

11.4 This Clause 11 does not apply to any notice given in legal proceedings, arbitration or other dispute resolution proceedings.

12 AMENDMENTS

No amendment, waiver or variation of any of the terms of this Agreement will be valid or effective unless made in writing and signed by or on behalf of the Parties.

13 REMEDIES AND WAIVERS

13.1 No failure, delay or omission by the Lender in exercising any right, power or remedy

provided by law or under this Agreement shall operate as a waiver of that right, power or remedy, nor shall it preclude or restrict any future exercise of that or any other right, power or remedy.

- 13.2 No single or partial exercise of any right, power or remedy provided by law or under this Agreement shall prevent any future exercise of it or the exercise of any other right, power or remedy.
- 13.3 The Lender's rights, powers and remedies under this Agreement are cumulative and they do not exclude any rights, powers or remedies that arise by law.

14 PARTIAL INVALIDITY

If any provision of this Agreement (or part of any provision of this Agreement) is or becomes illegal, invalid or unenforceable, the legality, validity and enforceability of any other provision of this Agreement (or other part of that provision of this Agreement) shall not be affected.

15 COUNTERPARTS

This Agreement may be signed in any number of separate counterparts and this has the same effect as if the signatures on those counterparts were on a single copy of the Agreement.

16 GOVERNING LAW AND JURISDICTION

- 16.1 This Agreement and any dispute or claim arising out of, or in connection with it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.
- 16.2 Subject to Clause 16.3, the Parties irrevocably agree, for the sole benefit of the Lender, that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Agreement, its subject matter or formation (including non-contractual disputes or claims).
- 16.3 Notwithstanding Clause 16.2, the Parties irrevocably agree that the Lender shall have the right to take, and shall not be prevented from taking, proceedings against the Borrower to settle any dispute or claim arising out of, or in connection with, this Agreement, its subject matter or formation (including non-contractual disputes or claims) in any other court of competent jurisdiction and that the Lender may take such proceedings in any number of jurisdictions, whether concurrently or not, to the extent permitted by law.

AGREED by the Parties on the date set out at the head of this Agreement.

Signed on behalf of

MUSTANG ENERGY PLC acting by
Dean Gallegos



Signed on behalf of

BUSHVELD MINERALS LIMITED
acting by Craig Coltman

