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Mustang Energy Corp. (CSE:MEC)

Corporate Update
October 14, 2025

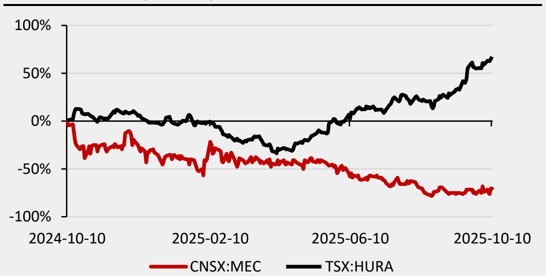
Spinning Out Assets Over The World's Most Productive Uranium Trend

(Currency is C$ unless noted otherwise)

Closing Price		$0.13
Rating		NA
Target ($C/sh)		NA
Return to Target		NA
52 Week Low / High	$0.09 /	$0.44
CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	91	112.9
Market Capitalization ($MM)		$11.9
Enterprise Value ($MM)		$8.3
Last Reported Quarter Cash ($MM)		$3.6
Total Debt ($MM)		$0.1

STOCK CHART

RELATIVE PERFORMANCE



RELATIVE VALUATION	**EV (C$M)**
Mustang Energy Corp.	$8.3
Peer Group Average*	$57.3

**Capital IQ Consensus*

MAJOR SHAREHOLDERS

Management (0.11%), Middlefield Capital Corpo. (2.52%), Palette Investment Manage. (1.89%)

DISCLOSURE CODE:

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, Capital IQ

Company Description

Mustang Energy Corp. is a new uranium exploration company with a large portfolio of early stage exploration projects all over the Athabasca Basin. Its portfolio consists of 100%-owned projects and projects being explored under option from other Athabasca Basin companies like Skyharbour Resources. Dahrouge Geological COnsulting is a technical consulting partner.

Impact: Neutral

Athabasca Basin uranium explorer, Mustang Energy, looks to spin off three of its eastern Athabasca projects – Ford Lake, Roughrider S and Cigar East – into a new entity called Allied Strategic Resource Corp., shares of which will be distributed to shareholders on a pro rate basis and listed on the CSE. Details about cash transfers, new management teams, etc. were not mentioned. **This is certainly a bull market move – splitting a junior explorer into two when it is still seeking discoveries at any of its projects. To us this seems to keep three key Wollaston–Mudjatik trend projects together, which would help keep logistical synergies. More importantly, management appears to be hoping for these projects to be better valued in separate vehicles. At this point, with these entirely grassroots, pre-discovery projects, we don't yet see a need for the spin out. Any discovery or even indications of mineralization should have re-rated the stock. Our take is that exploration companies do have better chances of making discoveries with a pipeline of projects that they can explore given greater project diversification. It also helps spread out news flow. A split into two companies may allow both vehicles to raise funds to a greater extent than as a single entity, assuming they do get a market cap re-rating, though they will be competing with each other in the marketplace. Mustang Energy stock rose 23% on the day before the announcement, possibly because word of the split might have leaked, but the stock is off almost 30% over the past quarter and 70% YoY – moving in the opposite direction as most of the rest of the uranium sector.**

- **Allied to control ground over well-understood prospective trend.** Wollaston-Mudjatik Transition Zone hosts some of the largest, highest-grade uranium mines in the world, including McArthur River and Cigar Lake. Ford Lake project is located just 15km NW of Key Lake and < 30km from the Millennium and Wheeler River deposits, and just 15km from the high-grade Moon Lake discovery. A 2024 technical report recommended a 1,500m initial drill program after geophysical studies helped locate favourable conductors. Roughrider South is on-trend from the Cigar Lake mine and Cigar Lake East lies on a parallel trend.
- **The original Mustang Energy to retain focus on Yellowstone.** Yellowstone, located 16km W of the former Cluff Lake Mine and 20km NW of the Shea Creek Deposits, hosts multiple conductive anomalies and fault zones that may be associated with uranium mineralization. Other projects that would stay inside the company includes Brown Lake, Dutton, 914W, Spur, Thunderbird, Konigsstuhl and Yellowstone

We do not rate this stock. As an early-stage exploration company, a discovery would dramatically change the company's profile and drive the stock price. **Upcoming Catalysts:** 1) Results from 2,000m drill program at Surprise Creek (ongoing), 2) Dutton TDEM survey results (Q4/25), 3) Spur EM survey and field program results (ongoing), 4) exploration plans at Yellowstone, Yellowstone East, 914W (ongoing).

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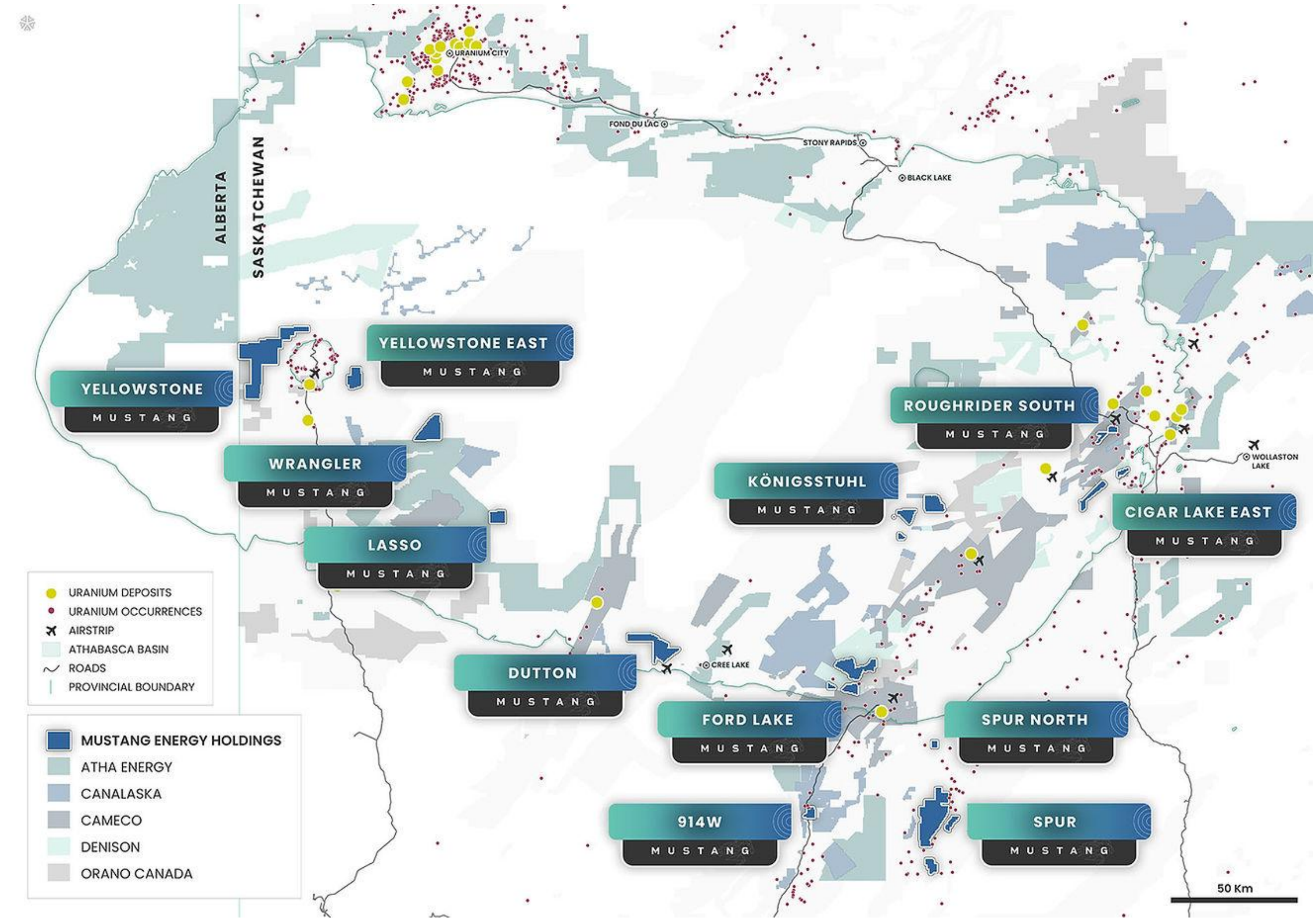
Figure 1: Mustang energy's current Athabasca Basin portfolio



Source: Company Reports

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Disclosure Statement
Updated October 14, 2025

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	**Rating**	**Target**	**Status**	**%**
2025-05-07	NA	NA	BUY	39%
2025-10-14	NA	NA	BUY (S)	20%
			HOLD	0%
			TENDER/ SELL	0%
			NA	38%
			UNDER REVIEW	3%

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Company Name	Ticker Symbol	Disclosures
Mustang Energy Corp.	CSE:MEC	

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