



9 February 2017

## Mustang triples processing rate after successful plant ramp-up at Mozambique ruby project

First gems now being cut in US ahead of sales to leading jewellery wholesalers next month

### Highlights:

- Mustang has completed the first phase of the processing plant ramp-up at its Montepuez Ruby Project in Mozambique following relocation of the plant late last year
- Processing running well ahead of targeted rate of 525tpd a day, hitting up to 1000tpd
- Targeted processing rate forecast to increase monthly recoveries substantially
- First rubies now being cut by internationally-renowned gemstone cutter and polisher Meg Berry in Tucson, Arizona
- Follows last month's dispatch of first parcel of gems totalling 6,221 carats to US service providers and customers
- Cut stones will be certified at the laboratory of leading global gem analyst GIA in California this month
- First sales to leading wholesalers scheduled to take place next month
- Two additional 'special stones' of more than 5cts to be added to the parcel to be cut including one high quality 11ct ruby

### COMPANY INFORMATION

Mustang Resources Ltd  
ABN 34 090 074 785  
ASX Code: MUS

Current Shares on Issue:  
457,149,921  
Market Capitalisation:  
\$26M as at 8 February 2017

### COMPANY DIRECTORS

Ian Daymond  
Chairman

Christiaan Jordaan  
Managing Director

Cobus van Wyk  
Director

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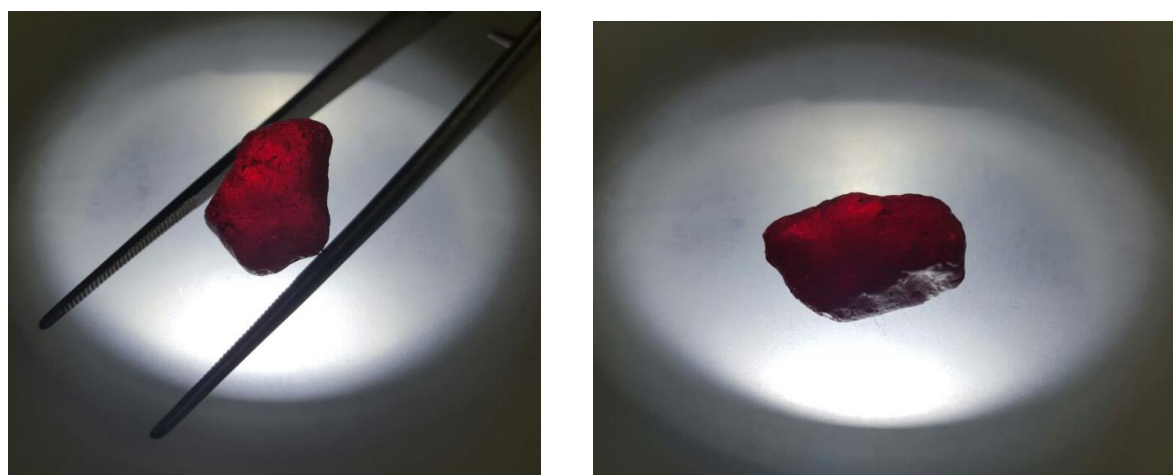
Mustang Resources (ASX: MUS) is pleased to announce that its increase of processing capacity is firmly on track, with the first phase of its processing plant ramp-up successfully completed at the Montepuez project in Mozambique.

As an integral part of its bulk sampling exploration program Mustang has achieved its target of processing 525 tonnes a day, which is triple the rate recorded before it relocated the plant late last year. Processing rates have been as high as 1000tpd. The scale up is important for the Company to complete its 150,000 tonnes bulk sample as soon as possible to determine the grades, quality and commercial viability through the sales of the rubies recovered.

Mustang also announces that internationally-renowned gemstone cutter and polisher Meg Berry has started cutting the rubies sent from Montepuez to the US last month. This was the first commercial parcel of rubies dispatched by Mustang.

Once cut and polished, the stones will be certified at the GIA (Gemological Institute of America) laboratory in California ahead of their planned valuation and potential sale to leading wholesalers in March.

Importantly, two more 'special stones' larger than 5cts (including one stone of 11ct) are being added to the parcel that will be cut and certified, which already contained five uncut stones larger than 5cts (see Figure 1 below).



**Figure 1. Two special stones to be added to parcel delivered to the US during January 2017 (incl. 1 stone of 11cts)**

The cutting, polishing, certification and sales of these gems is a key milestone in Mustang's strategy to start generating substantial cashflow whilst it continues to delineate a comprehensive resource inventory on its Montepuez project.

This process will enable Mustang to obtain further opinions from experts about the range in potential ruby values and the best marketing strategies to unlock their maximum value.

To assist in this process, Mustang contracted the services of an American gemmologist and his team to do a full market study to enable the Board to decide if Mustang will only market its rubies in the rough on auctions or whether the Company and its shareholders will unlock more value from cutting and polishing a portion of its stones to supply the wholesalers and manufacturers directly.

As part of this process, Mustang attended the AGTA GemFair in Tucson, Arizona from 31 January to 4 February 2017. The AGTA GemFair is the largest coloured gemstone trade show in the world and provided Mustang with the perfect opportunity to engage with potential customers from around the globe.



**Figure 2. AGTA GemFair attended by Mustang last week in Tucson, Arizona**

Mustang received a highly favourable response from senior industry members, including representatives of the major luxury jewellery wholesalers in the US market.

Mustang is also pleased to announce that it participated this week in the Investments Battlefield Competition at the Mining Indaba in Cape Town where the Company won the “Diamonds and PGMs” division and gained significant exposure at the well-attended event in Cape Town.

Mustang Managing Director Christiaan Jordaan said the Company was now on the cusp of generating substantial cashflow.

**“Our planning and hard work is about to start paying dividends in terms of sales and revenue,” Mr Jordaan said.**

**“The cutting, polishing and certification process now underway will provide us with more key information about the value, grades and commercial viability of our ruby project and pave the way for sales to luxury wholesalers next month which will help define the future marketing strategy of the company.”**

For and on behalf of the Company.

Christiaan Jordaan  
**Managing Director**

## FOR FURTHER INFORMATION, PLEASE CONTACT:

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## FORWARD-LOOKING STATEMENTS:

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to the Company's planned exploration program and other statements that are not historic facts. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although the Company considers that its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements

### **About Mustang Resources Ltd (ASX:MUS)**

Listed on the Australian Securities Exchange, Mustang Resources Limited (ASX:MUS) is an emerging gemstone developer and producer focused on the near-term development of the highly prospective Montepuez Ruby Project in northern Mozambique.

The Montepuez Ruby Project consists of three licenses covering 15,800 hectares directly adjacent to the world's largest ruby deposit discovered by Gemfields PLC (AIM:GEM) in 2012. Since supply of rubies from sources outside Mozambique has become fractured and unreliable, Mustang stands to capitalise on the current demand around the world for ethically produced rubies by becoming a reliable, consistent supplier of high-quality rubies.

The Company is currently fast-tracking its work program on the Montepuez Ruby Project with high priority targets being identified and low-cost bulk sampling having commenced. Website: [www.mustangresources.com.au](http://www.mustangresources.com.au)