

An Emerging Gemstone Miner in Mozambique



ASX: MUS

Investor Presentation May 2017
Christiaan Jordaan, Managing Director

Overview: Mustang Poised For Rapid Growth

- Market Cap: ~A\$26m at 5.0c a share
- Flagship Montepuez Project located next to London-listed Gemfields (AIM:GEM Market cap: ~A\$400m); Mustang and Gemfields only listed ruby miners in the world
- Mustang on track for first sales revenue from sale of rough rubies at auction/tender in October 2017
- Current gem ruby inventory of ~73,500cts; set to rise to 200,000cts target over coming months
- Multiple secondary ruby deposits identified in 195km² land package
- Aggressive drilling campaign to build inventory and JORC Resource
- Plant upgrades completed in April 2017 to further boost processing rates and recoveries
- Acquiring 65% interest in adjacent licence where artisanals are mining gem-quality rubies from a shallow deposit 3km from existing plant
- Additional upside from the high-grade Caula Graphite Project in Mozambique

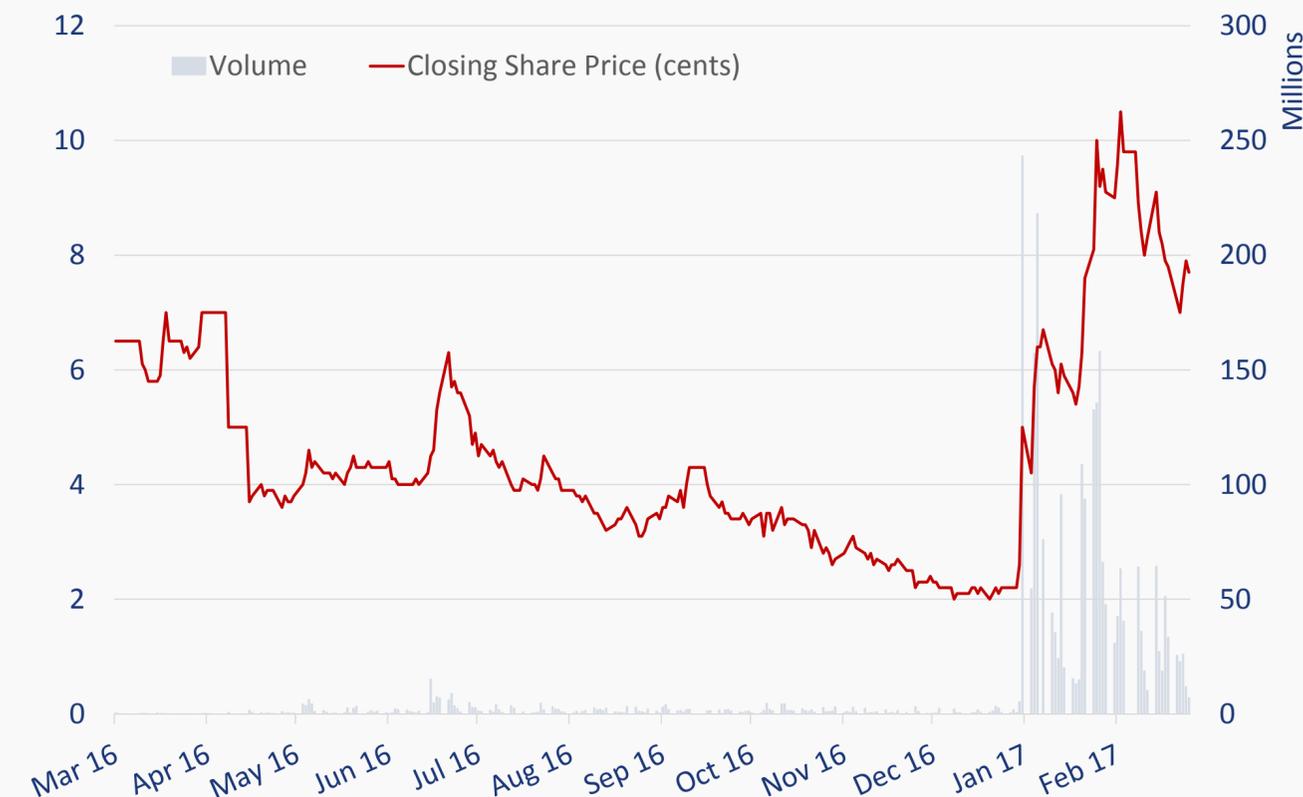


Mustang Corporate Overview



MUSTANG RESOURCES LTD	
ASX Code	MUS
Shares on Issue	525,956,516
Unquoted Performance Rights*	14,000,000
Options# (Weighted Average Exercise Price \$0,1075)	154,819,173
Share Price (as at 28 April 2017)	A\$0.05
Cash on hand (31 March 2017)	A\$3,143,000
Debt	A\$0
Market Capitalisation	A\$26 million

TOP 5 LARGEST SHAREHOLDERS	
Andium Pty Ltd	6.3%
Regius Resources Group Ltd, Mr. C van Wyk & Mr. C Jordaan	5.7%
Citicorp Nominees Pty Limited	2.7%
ABN Amro Clearing Sydney Nominees Pty Ltd	2.0%
ZAV40 Investments Pty Ltd	1.8%



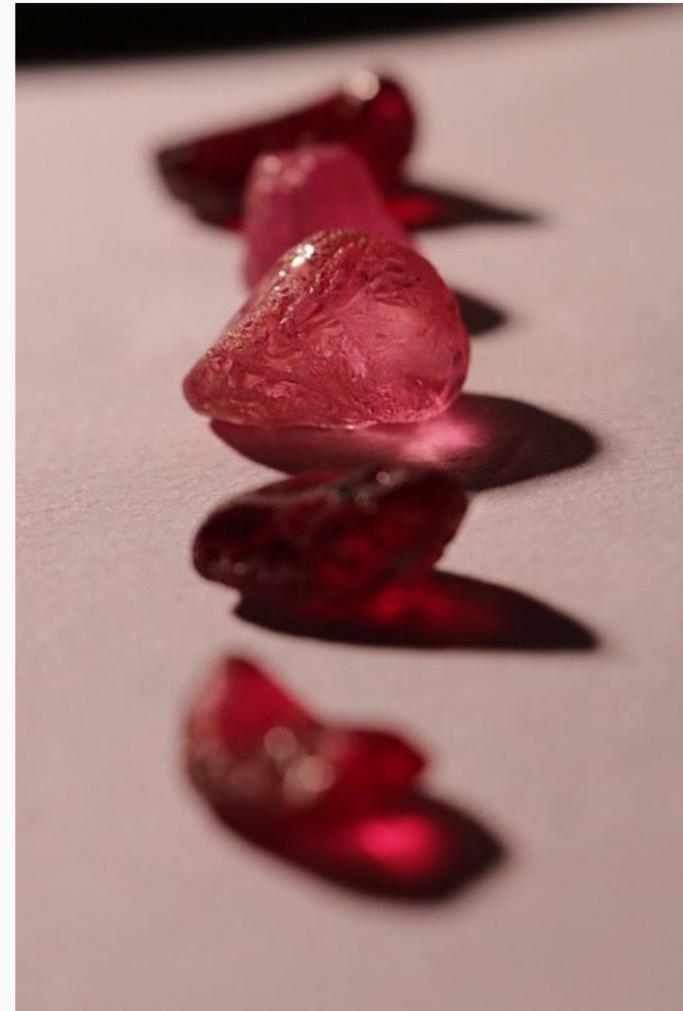
Directors: I. Daymond (Chairman), C. Jordaan (Managing Director), C. van Wyk (Non. Exec)

Note Major Option Classes: 40mil 25cent options expiring 30/06/17; 66.7million 3.5cent Listed Options expiring 25/01/2020; 19mil 7.5cent options expiring 21/06/2019

*Class E Performance Rights in favour of vendors of Balama Graphite Project. Vest upon proving a 50Mt JORC Compliant Inferred & Indicated Resource @ >5% TGC on any of the graphite licences held by Balama.

Montepuez Ruby Project

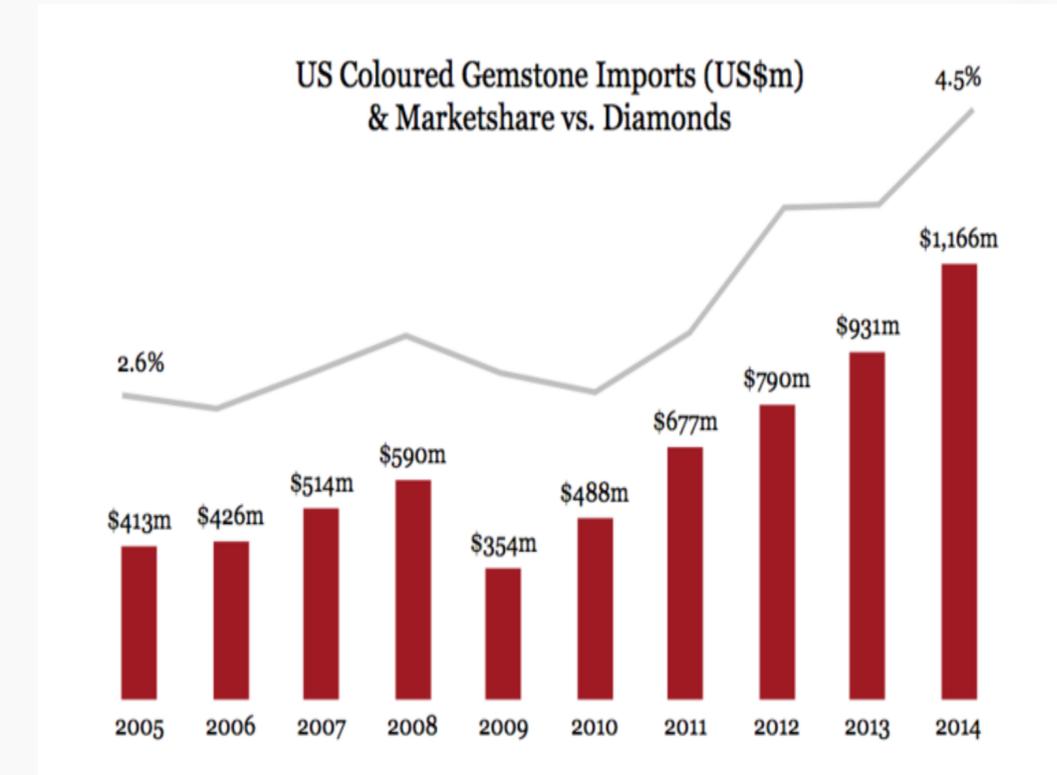
Near-Term Cashflow from Bulk Sampling Program



Tapping into a US\$2b-a-year market



- Rubies are the most expensive gemstone after diamonds - with fine rubies +5cts extremely rare
- Before the 2009 discovery of the Montepuez field in Mozambique, supply was highly fragmented and unreliable (Myanmar, Afghanistan, Madagascar)
- Consistency of supply from Montepuez provides opportunity for rapid growth in ruby market size
- Global polished ruby market size estimated at US\$2billion p.a (2014) – total coloured gemstone market (ruby, sapphire & emerald) estimated at US\$5.9 billion p.a (2015)
- Consumer demand has caused prices of rubies to increase 63% over past 8 years **
- Market size continues to grow:
 - Coloured gemstone market grew 13% in 2015 period while diamonds decreased 17% from US\$84billion to US\$70billion*
 - Strong demand from US, Europe, India, Thailand and China
- US\$1.2billion imports of coloured gemstones into US market (4.5% of diamond market) #
- Mustang market engagement in the USA & Asia has confirmed unmet demand for ethically-mined rubies



The 'Graff' Ruby
Carats: 8.62
Sale Price: US\$8,372,094



The 'Sunrise' Ruby
Carats: 25.59
Sale Price: US\$30,420,000

* Source: Gemfields Annual Report
 ** Source: Gemval Relative Value Index.
 # Source: Global Mining Observer, Issue 131 July 2015

Montepuez – A World-Class Gem Field



- The Montepuez region in Mozambique is ideally positioned to rapidly secure a substantial share of the lucrative global ruby market
- Commercial potential highlighted by Gemfields' success in generating US\$225 million in ruby sales up to Dec 2016 (all during the exploration period)
- Montepuez gaining global prominence as the supply of equivalent quality rubies from Burma (Mogok) is very scarce
- Montepuez produces a wide variety of qualities for each of the different market segments
- Vast majority gem/facet quality rubies come from secondary deposits (alluvial/elluvial)
 - **Mustang (and its prospecting teams) only mine secondary deposits at present**
- The Montepuez ruby field is very extensive, offering prospects of long mine lives
 - Mustang has 195sqkm of highly prospective ground
- Montepuez ruby deposits are typically <15m from surface, free-digging and simple to process with good in-situ grades
 - Formula for low-cost, high-margin mining operations



A world-class ruby deposit, brought to global prominence by our neighbour, Gemfields (AIM:GEM)

Management & Exploration Team



Christiaan Jordaan, Managing Director

- Former CEO and co-founder of Mozambican-focused exploration company Regius Resources Group
- Regius holds 5.7% of Mustang and 20% direct interest in Montepuez Minerals, the HoldCo of three of the four ruby assets
- Extensive experience managing mining and energy projects in Mozambique
- Member of AICD, holds Commercial Law Degree, former Director of financial services group in SA



Cobus van Wyk, Operations Director

- CEO and co-founder of the Regius Group of companies
- Holds Bachelor of Marketing (Tshwane University of Technology) and MBA (University of Wales)
- Former senior executive in financial industry and capital markets, working at the Johannesburg Stock Exchange and Bankcorp South Africa
- Qualified portfolio manager and stockbroker, more than 23 years' experience in financial services
- 12 years' experience in mining and exploration in Mozambique



Paul Allan, Independent Consulting Geologist

- Over 25 years' experience in multi-commodity geology (predominantly precious stones evaluation)
- Former Project Geologist for Gemfields PLC, where he played a key role in the initial development of the Montepuez Ruby Project
- Former Regional Exploration Manager for SouthernEra, Senior Project Geologist for Firestone Diamonds
- Initial experience with Anglo American Research Laboratory (De Beers) in kimberlite mineral chemistry and petrography



- Expatriate mining team (7); lead by Mr. Gerhard Burger >100 years collective hands-on experience of African gemstone mining operations with technical support from Mr. Paulo Cintra, a Portuguese industrial & mining engineer with 20 years' experience



- Geology field team led by Ms. Sara Turnbull (Msc.) with support from Mr. Paul Allan & local Mozambican geologists



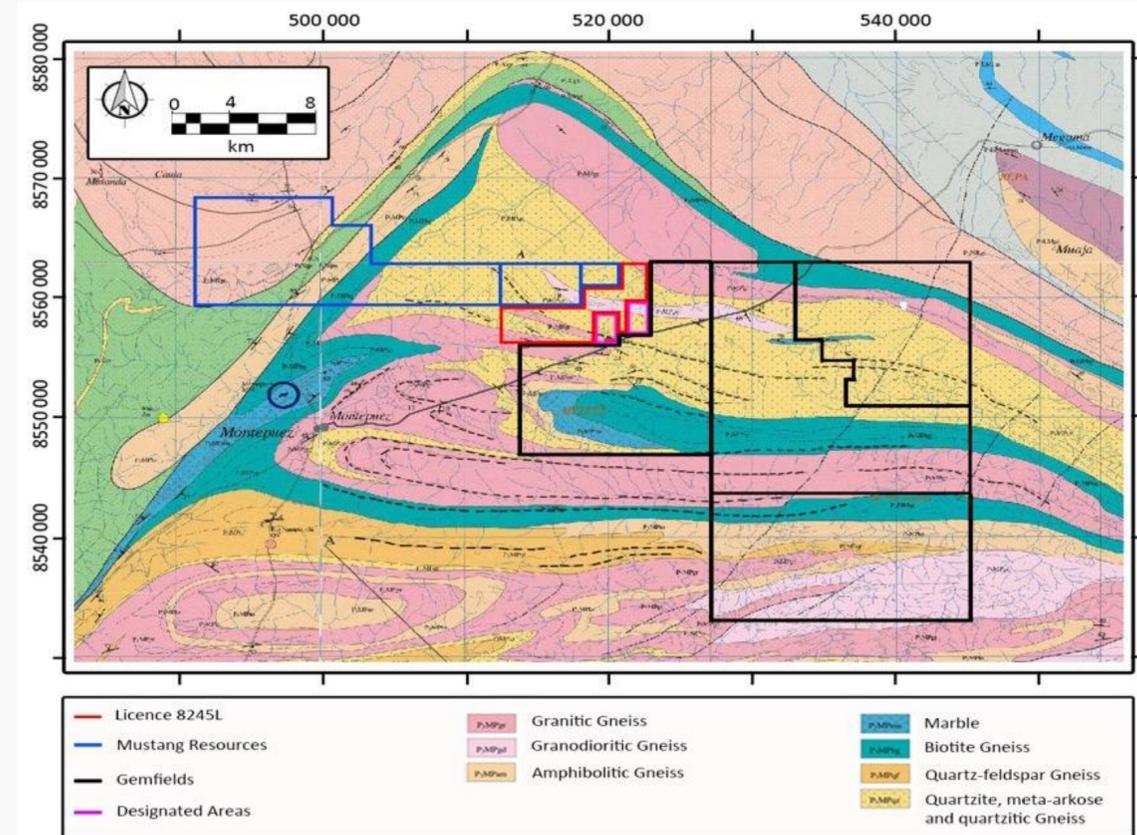
- Logistics & operational support provided by Ms. Graca Calheiros & Mr. Helmer Manjate with >70 years collective Mozambican business experience



Montepuez Regional Geology



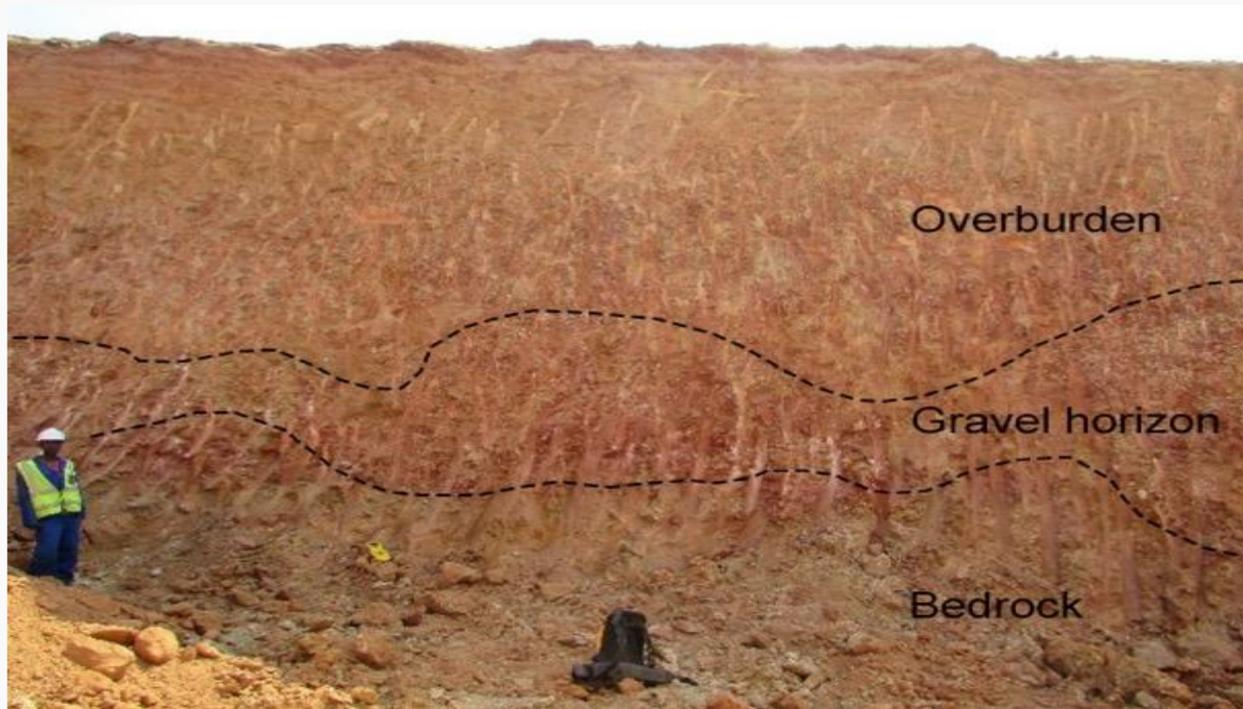
- Located within the Montepuez Complex which is part of the Mozambique Belt – a unique geological occurrence
- Extensive ruby mineralisation is present immediately to the SE of the Mustang licences close to the village of Namahaka
- Mustang licences lie along the established NW-SE ruby mineralisation trend which also transects the Gemfields' licences
- Primary ruby mineralisation in the amphibolite which is considered to have supplied the source of chromium responsible for the rubies' red colourisation
- Secondary ruby deposits; initial deposition within one or more major flooding events + redistribution of the rubies by elluvial processes (e.g. down-slope weathering)
- The average gem quality ruby percentage of the secondary rubies is typically much higher than those contained within the primary amphibolite
- Mustang currently mines only secondary deposits as sources of higher percentage gem quality ruby



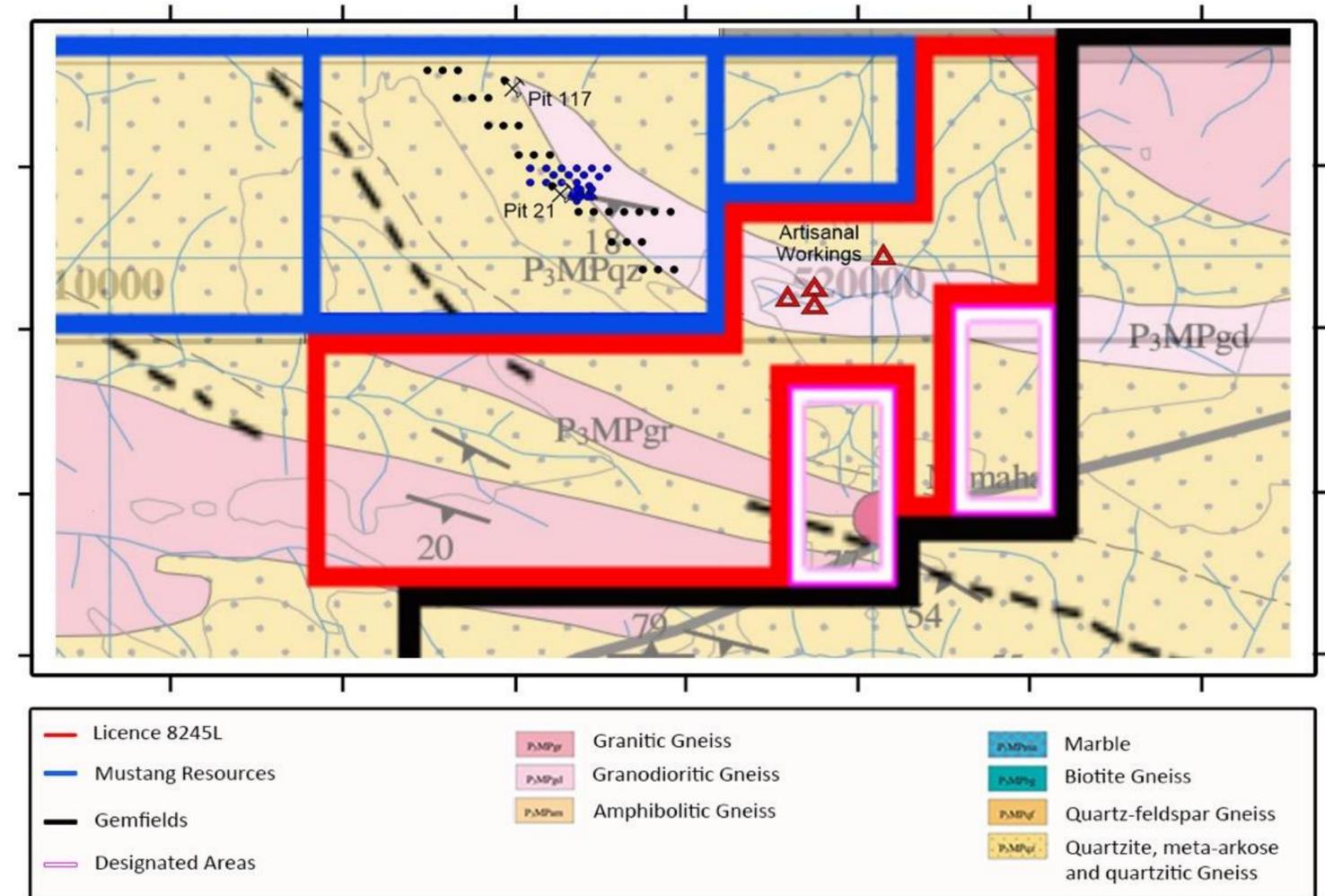
Montepuez Ruby Project – Geology



- Mustang ruby deposits have a soft soil cover of approximately 2 to 10 metres overlaid by a gravel layer (found in clay rich soil) which sits above the weathered bedrock
 - Gravel 1.8m average thickness in Alpha Deposit (Photo below) but pinches & swells
- Colluvial/elluvial style deposits which remain open in all directions; auger drilling program underway to delineate full extent of ruby mineralisation
- Work to date shows all the characteristics of multiple commercial (high grade and high quality) ruby deposits at Montepuez



Stratigraphy of Alpha-Pit (licence 4143L)



New licence 8245L artisanal activity and planned drilling program

Montepuez Ruby Project – Early Success



- **STRATEGY:** Systematically build a resource base & generate significant revenue whilst doing so
 - Auger drilling + bulk sample + auction/tender sales = JORC Resource
- Plant relocated in late 2016, commissioning completed in January 2017, key upgrades in April 2017
- 1,500tpd (~328,000tpa) processing capacity from May 2017 onwards, up from ~300tpd (average) in January
- Current inventory stands at ~73,000cts all sourced from initial processing of material from Alpha deposit and rubies received from artisanal miner development program
- New high-grade and shallow ruby deposits to be excavated and processed in coming months– **ruby inventory expected to increase significantly**
 - Secondary ruby deposits discovered on licence 4143L (Pit 224) & 5030L (Pit FNB) to be tested through upgraded plant
- Initial processing of material from highly prospective new deposits within licence 8245L to commence shortly
- Auger drilling campaign will continue with goal of estimating mine life with results of bulk sampling over next 6-12 months helping to establish average grades



Why the Revised Sales Strategy

- Mustang recently updated its strategy from selling a mix of cut and polished and rough rubies to selling only roughs
- Mustang planning first auction of ~200,000cts in October, 2017
 - Rough grading system under development– key component of rough auction process
- New strategy has two key objectives:
 - Very important that Mustang does not compete with its rough stone customers for sales of cut and polished stones
 - To generate more substantial cashflow(s) in the medium term due to faster payment terms for rough stones and much simpler sales process
- Revised strategy follows extensive consultation with customers; The strategy is same as that used by Gemfields, which generated US\$225m in seven auctions totalling 8.6Mcts (commercial & gem qualities from primary & secondary deposits) over 3.5 years
- The five ‘special’ stones sent to the US for cutting and polishing by Meg Berry will be sent to Thailand for inclusion in overall inventory
- These five stones (77cts) were never intended to generate material cashflow and only represent 0.1% of current gem ruby inventory; they were to provide an insight into the value of Mustang’s cut and polished stones for testing and marketing purposes only and to assist in defining the best sales strategy over the medium to long term
- The remaining parcel of rubies sent to the US (~6,148cts) will be sold as part of the auction next quarter



Montepuez Ruby Project – New Licence Acquisition



- Mustang announced acquisition of 65% stake in highly strategic ruby licence bordering the Montepuez Ruby Project
- The 3,500ha licence sits between the Montepuez Ruby Project and a key secondary deposit being mined by Gemfields
- Site visit by Paul Allan (chief consulting Geologist) confirms artisanal miners currently recovering large gem-quality rubies from the area covered by the new licence
- Mustang will issue 30m shares (escrowed for 24 months) and pay US\$100,000 cash as consideration for the 65% interest in the licence
- Mustang will fast-track prospecting from this new area to complement the growing bulk sampling program at Montepuez
- Heavily oversubscribed placement in March 2017 to a select group of new and existing institutions and sophisticated investors to raise \$5.88 million
 - Funds accelerated development program including expansion of auger drilling and bulk sampling programs & key plant upgrades



Montepuez Ruby Project – Milestones

- Commission upgraded plant & increase throughput to ~1,500tpd (~380,000 tpa)
- Auger drilling campaign to map ruby bearing gravels & build resource inventory
- Inaugural rough ruby sales through significant auction/tender
- JORC Resource & Feasibility Study
- Full scale (long life) mining (Modular & cheap plant scale up)

May 2017

Jan - Dec 2017

October 2017

Late H2 2017

H1 2018



WORK PROGRAM – KEY CATALYSTS

2017

Cauala Graphite Project

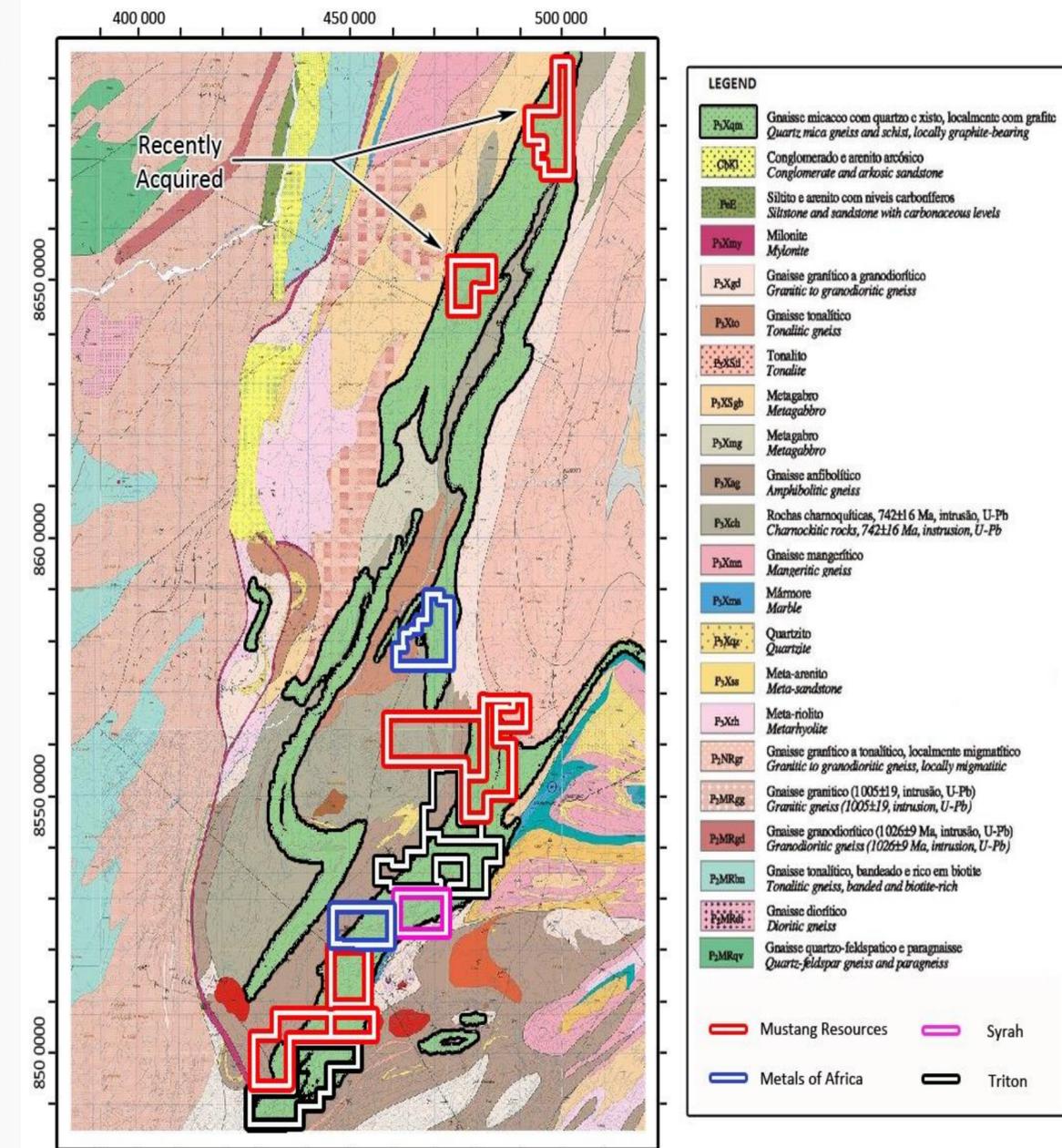
A Spectacular High Grade Graphite Discovery



Caula Graphite Project – Overview



- Caula Project (licence 6678L) located along strike from world-class Syrah Resources (ASX: SYR) deposit
- Extremely high-grade results over extensive widths from diamond drilling completed in Dec 2016
- Exploration program confirmed wide, high grade intervals of up to **26% Total Graphitic Carbon (TGC)**
- Extensive metallurgical testing & product optimisation underway with SGS Perth
- Maiden JORC Resource on Caula in Q2-2017
- **Caula will be one of the highest-grade graphite deposits in the world**
- High grade will enable Mustang to generate a top-quality product at a low cost, maximising margins and providing protection against any price volatility
- Interest in six additional graphite licences in Mozambique (“Balama Graphite Project”)

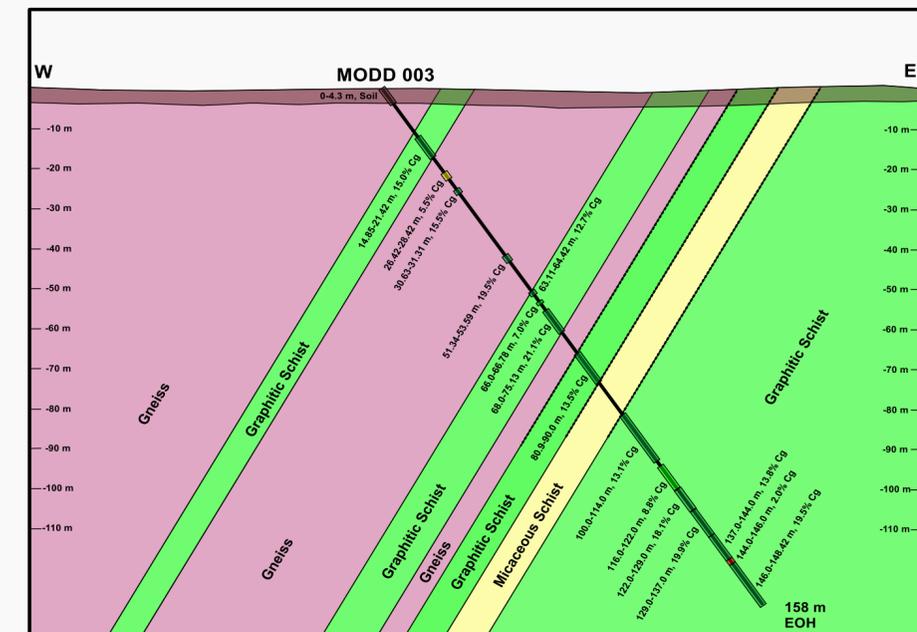
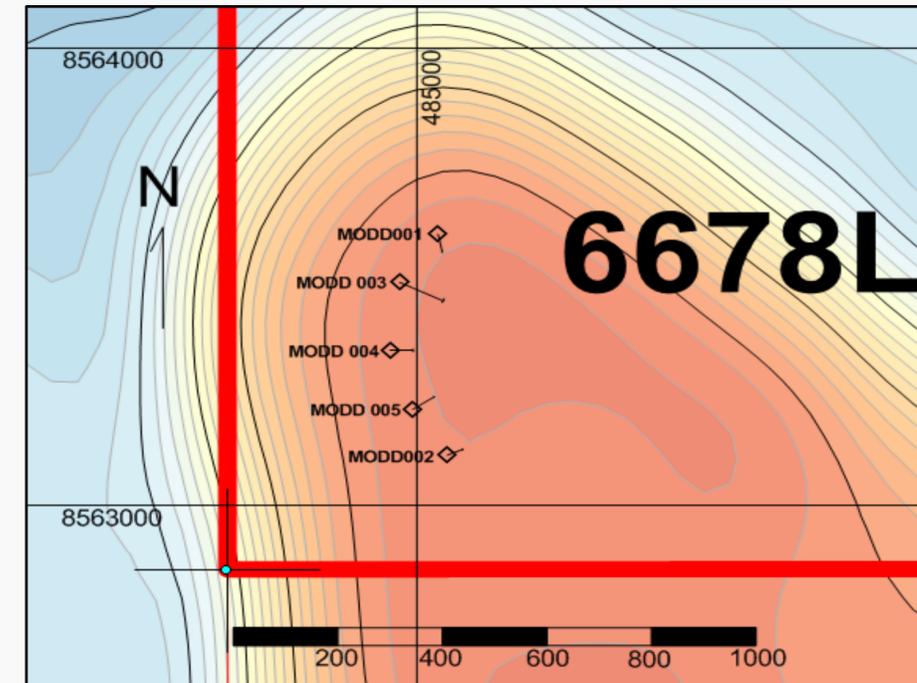


Caula Graphite Project

Targeting a High Grade Graphite Resource



- Spectacular grades of up to **26% Total Graphitic Carbon (TGC)** demonstrate potential for Caula to become a low-cost supplier to the lithium battery industry
- Results include:
 - MODD 001: 40m at 15.9%TGC average (inc. multiple intersections of 24-25% TGC)
 - MODD 002: 14m at 12.9%TGC average (inc. multiple intersections of 21-23% TGC)
 - MODD 003: 87m at 15.2% TGC average (inc. multiple intersections of 25-26% TGC)
 - MODD 004: 63m at 12.1% TGC average (inc. multiple intersections of 22-25% TGC)
 - MODD 005: 63m at 11.1% TGC average (inc. multiple intersections of 21-22% TGC)
- Core samples delivered to SGS Perth for full metallurgical analysis and flowsheet development – results expected in Q2 2017
- Field assessment has also highlighted the potential for large flake sizes
- Results will underpin maiden JORC Resource scheduled for release at end of Q2 2017; initial scoping study to follow



Caula Graphite Project & Drill hole MODD-003

Summary: Key Investment Takeaways



MUSTANG
— RESOURCES LTD —

- Premier ruby project in a world-class gemstone province
- Management team with in country experience & “skin in the game”
- First sales revenue targeted for October 2017 through auction/tender a proven sales methodology
- Outstanding exploration upside and growth potential
- Acquiring adjacent licence where local miners are recovering large gem-quality stones from a shallow deposit, complementary to growing bulk sampling program
- Significant additional upside from Tier-1 High Grade Caula graphite project

Disclaimer



IMPORTANT NOTICE & DISCLAIMER

These presentation materials and the accompanying verbal presentation (together, the **Presentation Materials**) have been prepared by Mustang Resources Limited (**Company**) for sophisticated and professional investors or other persons to whom an offer and issue of securities in the Company (**Securities**) may be made without lodgement or approval of a formal disclosure document or other filing. By receiving the Presentation Materials, you acknowledge and represent to the Company that you have read, understood and accepted the terms of this disclaimer. It is the responsibility of all recipients of these Presentation Materials to obtain all necessary approvals to receive these Presentation Materials and receipt of the Presentation Materials will be taken by the Company to constitute a representation and warranty that all relevant approvals have been obtained.

NOT AN OFFER

These Presentation Materials are for information purposes only. The Presentation Materials do not comprise a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission) or any other law. The Presentation Materials also do not constitute or form part of any invitation, offer for sale or subscription or any solicitation for any offer to buy or subscribe for any Securities nor shall they or any part of them form the basis of or be relied upon in connection therewith or act as any inducement to enter into any contract or commitment with respect to Securities. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any "US person" (as defined in Regulation S under the Securities Act of 1993, as amended (the "US Securities Act")). The securities in any proposed offering have not been and will not be registered under the US Securities Act, or under any securities laws of any state or jurisdiction of the United States. Accordingly, the securities in any proposed offering may not be offered, or sold, directly or indirectly, within the United States or to, or for the account of benefit of, US persons, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

NOT INVESTMENT ADVICE

The Presentation Materials are not investment or financial product advice (nor tax, accounting or legal advice) and are not intended to be used for the basis of making an investment decision. Recipients should obtain their own advice before making any investment decision.

SUMMARY INFORMATION

The Presentation Materials do not purport to be all inclusive or to contain all information about the Company or any of the assets, current or future, of the Company. The Presentation Materials contains summary information about the Company and its activities which is current as at the date of the Presentation Materials. The information in the Presentation Materials is of a general nature and does not purport to contain all the information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement or other offering document prepared in accordance with the requirements of Australian law or the laws of any other jurisdiction, including the United States of America. The Company does not undertake to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the Presentation Materials, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements: **are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.** The Company disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. All forward looking statements contained in the Presentation Materials are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.

NO LIABILITY

The Company has prepared the Presentation Materials based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the Presentation Materials. To the maximum extent permitted by law, the Company, its related bodies corporate (as that term is defined in the *Corporations Act 2001 (Commonwealth of Australia)*) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the Presentation Materials or its contents or otherwise arising in connection with it.

COMPETENT PERSON STATEMENTS

Information in this report that relates to the Montepuez Ruby Project's Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Paul Allan, a Competent Person who is a registered member of the South African Council for Natural Scientific Professions (SACNASP), which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Mr. Allan is an independent consultant who was engaged by the company to undertake this work. Mr. Allan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Allan consents to the inclusion of the data in the form and context in which it appears.

Information in this report that relates to the Balama Graphite Project's Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Johan Erasmus, a Competent Person who is a registered member of the South African Council for Natural Scientific Professions (SACNASP) which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Mr Erasmus is a consultant of Sumsare Consulting, Witbank, South Africa who was engaged to undertake this work. Mr Erasmus has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results. Mr Erasmus consents to the inclusion of the data in the form and context in which it appears.

Appendix 1: Tenement Overview



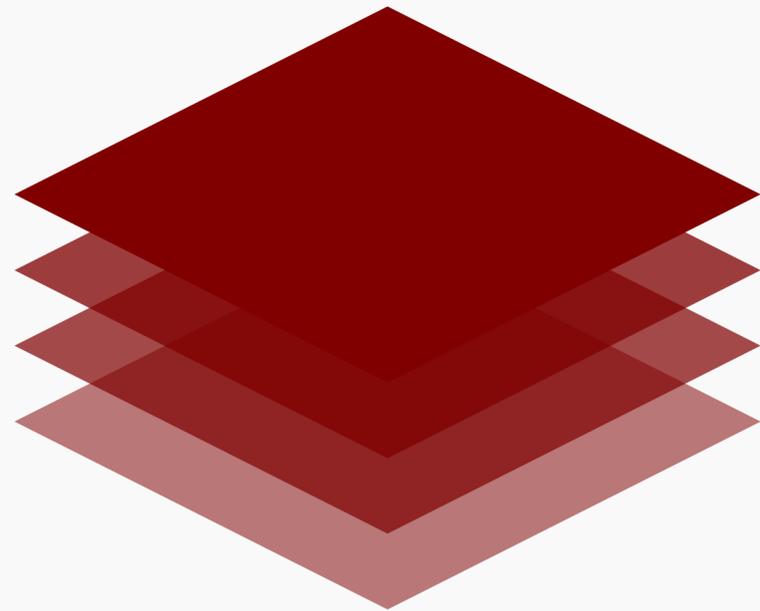
Licence No.	Area (km ²)	Commodity	Issue Date	Valid Until	Interest/Right to Earn Interest
8245L	35.0	Rubies	16-12-2016	16-12-2021	65%**
4143L	19.2	Rubies	14-12-2011	14-12-2016 #	60%
4258L	4.8	Rubies	21-07-2011	21-07-2019	52.5% to 60%
5030L	134	Rubies	03-09-2013	03-09-2018	52.5%
4661L	147.5	Graphite	11-09-2013	11-09-2018	60%
4662L	94.8	Graphite	01-10-2012	01-10-2017	60%
5873L*	137.8	Graphite	17-11-2014	17-11-2019	60% to 75%*
6636L	45.7	Graphite	16-07-2014	16-07-2019	75%
6678L	31.9	Graphite	18-03-2014	18-03-2019	80%
6363L	75.79	Graphite	18-11-2015	18-11-2020	90%
7560L	127.92	Graphite	21-06-2016	21-06-2021	95%

** Acquisition of 65% interest in licence 8245L announced on 28 Feb 2017; transaction not closed yet please refer to announcement for full details. # licence extension application submitted and letter of comfort from Ministry of Mines received that extension to 14-12-2019 will be granted. * Previous agreement cancelled and new agreement in final stage of negotiation. Note: licence 5030L contingent acquisition payments to local partner of US\$750,000 6 months after bulk sampling startup and US\$750,000 12 months after bulk sampling startup. Contingent on licence being transferred to Mozambican SPV (In process). As of 01/17 Bulk Sample on 5030L not yet started. Mustang has a call option to acquire additional 10% in 4258L SPV upon successful conclusion of the bulk sampling program for US\$1million

Contact Details



Managing Director – Christiaan Jordaan



D: +61 (0) 2 9239 3119

E: christiaan@mustangresources.com.au

A: Level 10, 20 Martin Place, Sydney NSW 2000 Australia

Web: www.mustangresources.com.au



@Mustang_Res