

An Emerging Gemstone Miner in Mozambique



121 MINING INVESTMENT
6-7 JUNE 2017 **NEW YORK**

121 Conference Presentation 6 and 7 June 2017
Christiaan Jordaan, Managing Director

ASX: MUS

Mustang Corporate Overview



MUSTANG RESOURCES LTD	
ASX Code	MUS
Shares on Issue	529,852,626
Unquoted Performance Rights*	14,000,000
Options# (Weighted Average Exercise Price \$0,1075)	154,819,173
Share Price (as at 5 June 2017)	A\$0.042
Cash on hand (31 March 2017)	A\$3,143,000
Debt	A\$0
Market Capitalisation	A\$22.78 million

LARGEST SHAREHOLDERS	
Andium Pty Ltd	6.3%
Regius Resources Group Ltd, Mr. C van Wyk & Mr. C Jordaan	5.7%
BNP Paribas Nominees	3.9%
Citicorp Nominees	2.7%
Top 20	33%



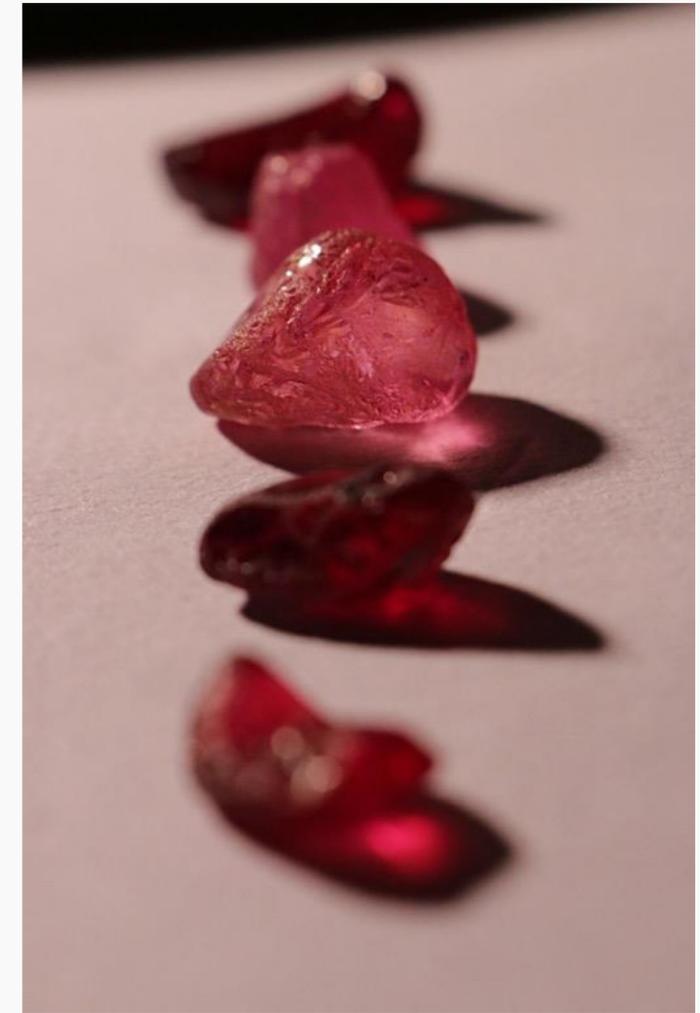
Directors: I. Daymond (Chairman), C. Jordaan (Managing Director), C. van Wyk (Non. Exec), P. Spiers (Non.Exec)

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

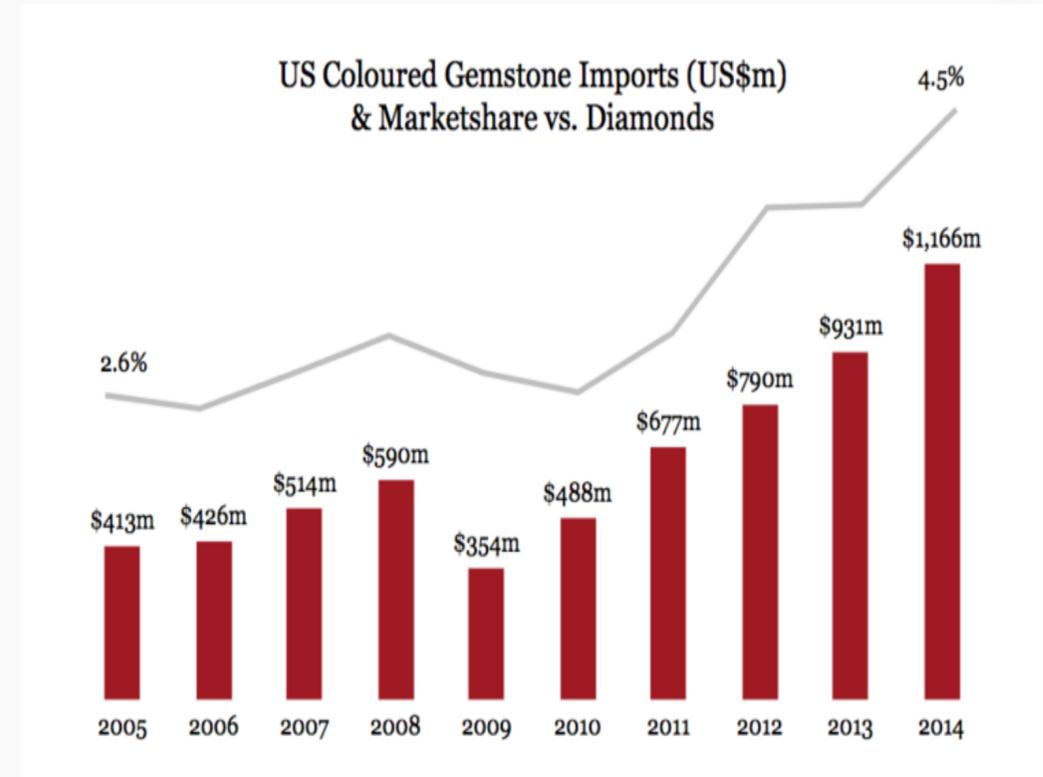


Tapping into a US\$2b-a-year market



- 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

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



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



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

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 193sqkm of highly prospective ground
- Montepuez ruby deposits are typically <15m from surface, free-digging and simple to process with potential for good in-situ grades
 - Formula for low-cost, high-margin mining operations

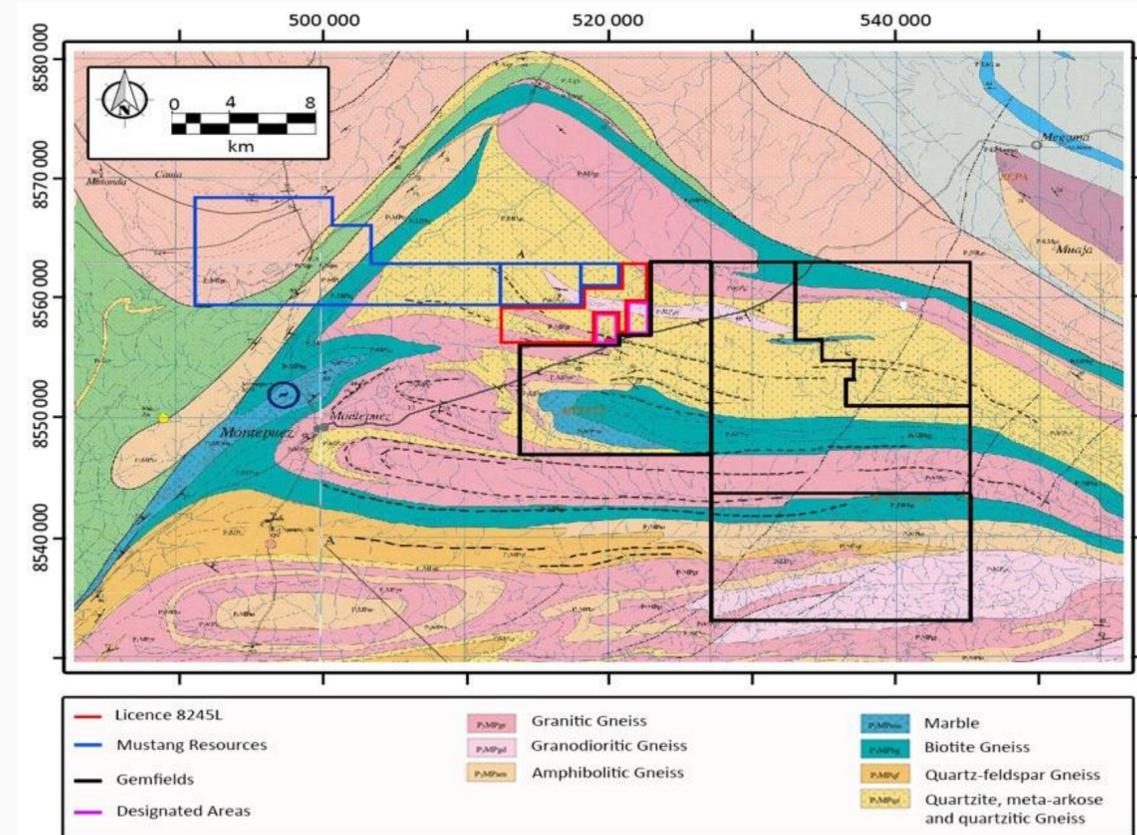


A world-class ruby deposit, brought to global prominence by our neighbour, Gemfields (AIM:GEM)

Montepuez Regional Geology

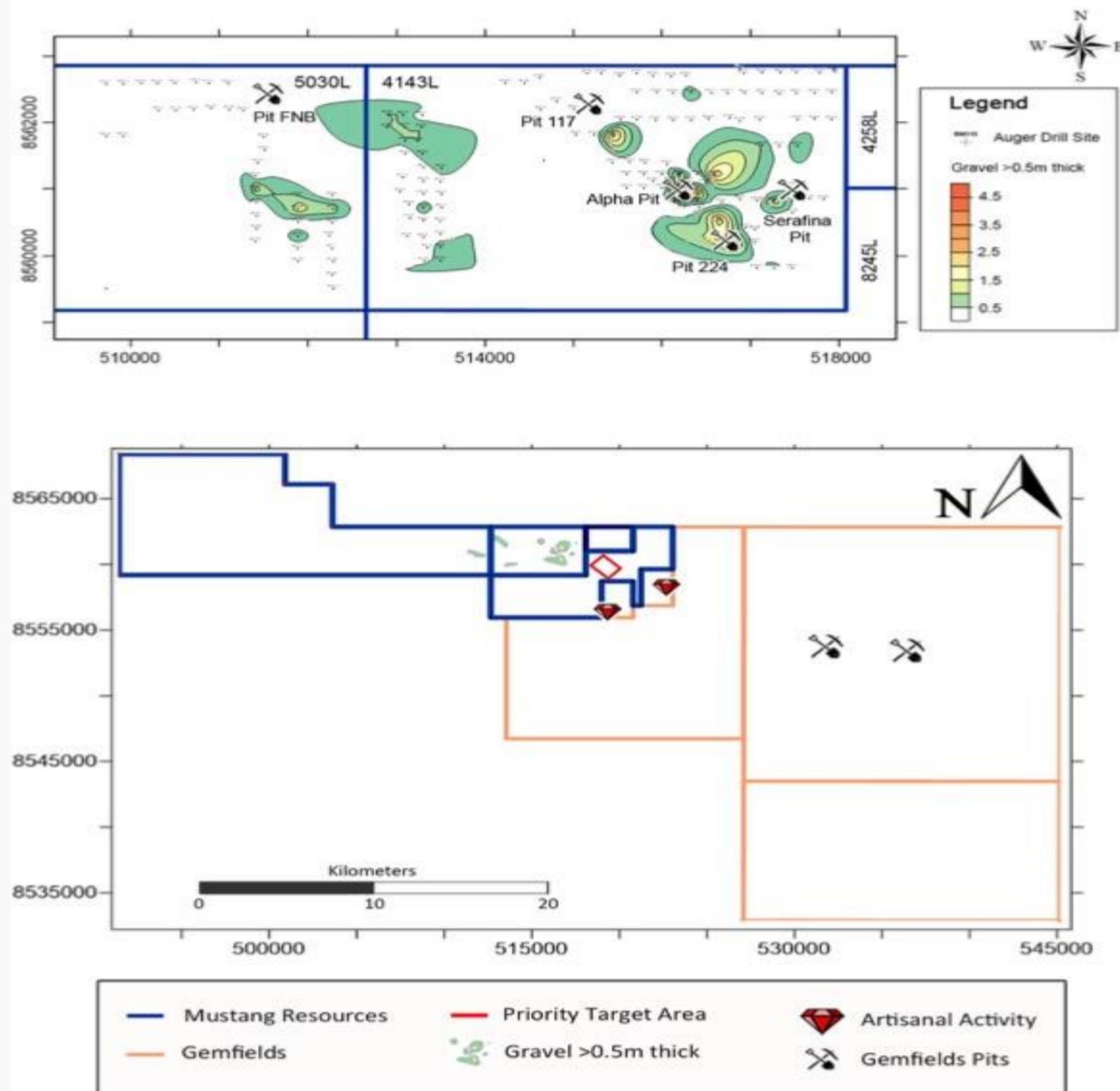


- Located within the Montepuez Complex which is part of the Mozambique Belt – a unique geological occurrence
- Extensive ruby mineralisation is present immediately to the SE of the Mustang licences
- Mustang licences lie along the established NW-SE ruby mineralisation trend which also transects the Gemfields' licences
- Primary ruby mineralisation is hosted within 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)
- Secondary deposits typically contain a much higher proportion of high value (gem quality) rubies compared to primary deposits
- Mustang currently targets only secondary deposits as a source of high value gem quality rubies



Montepuez Ruby Project

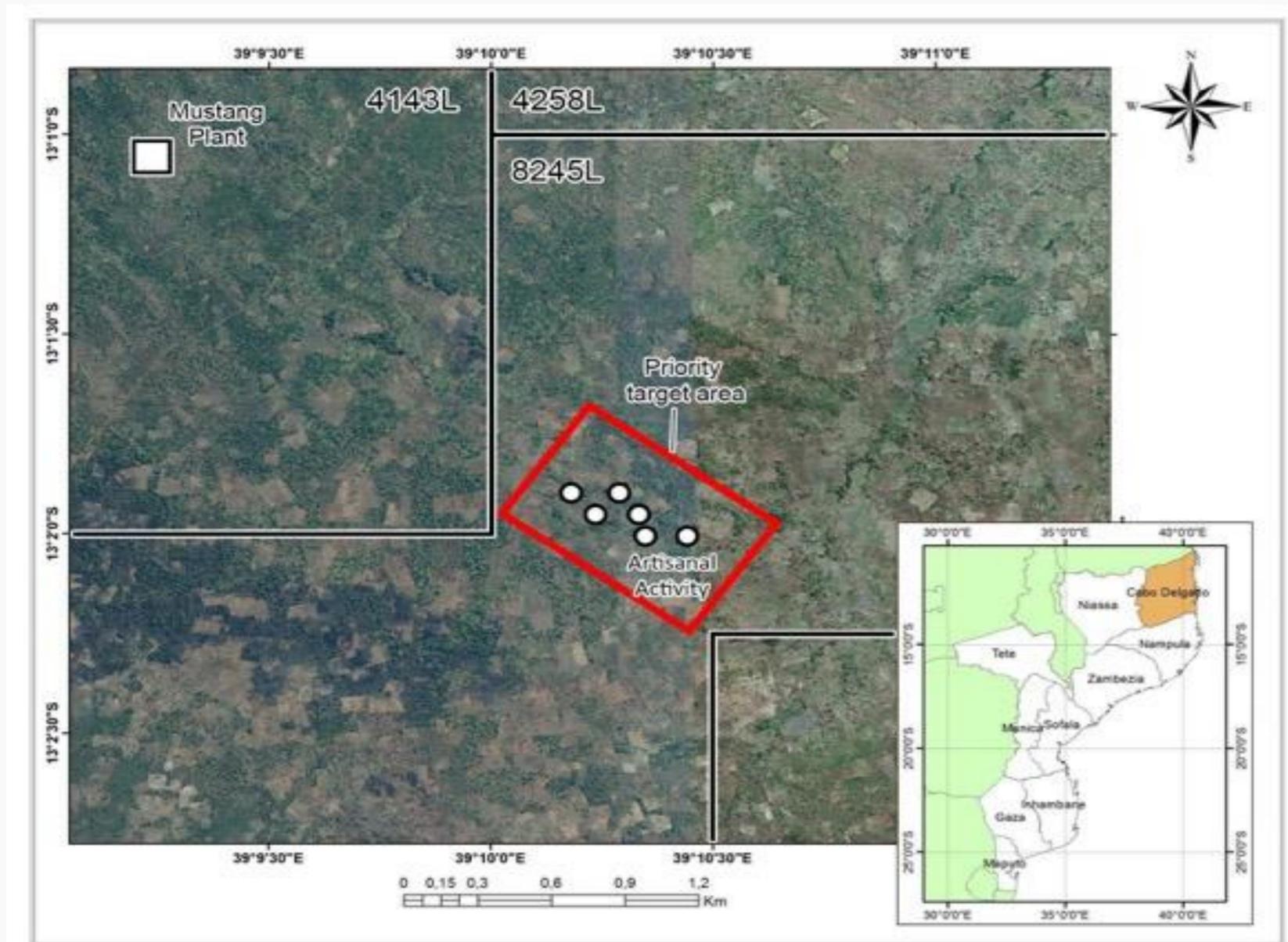
- **STRATEGY:** Systematically build a resource base & generate significant revenue whilst doing so
 - Auger drilling + bulk sample + auction/tender sales = JORC Resource
- Plant relocated in late 2016, commissioning completed in January 2017, key upgrades in April 2017 to deliver 250tph feed-capacity
- >1,500tpd (~328,000tpa) processing capacity from June 2017 onwards, up from ~300tpd (average) in January
- Current inventory stands at ~73,500cts 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**
- 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



Montepuez Ruby Project – New Licence Acquisition



- Shareholders approved the acquisition of 65% stake in highly strategic ruby licence bordering the Montepuez Ruby Project on 22 May 2017
- 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



Montepuez Ruby Project – New Licence Acquisition



- Shallow ruby deposit; less than 2m from surface
- 3km SE from 250tph Processing Plant
- Access road built to pit NT01
- All permitting completed and in place
- Bulk Sampling commencing shortly



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 initiated
- 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

Caula Graphite Project

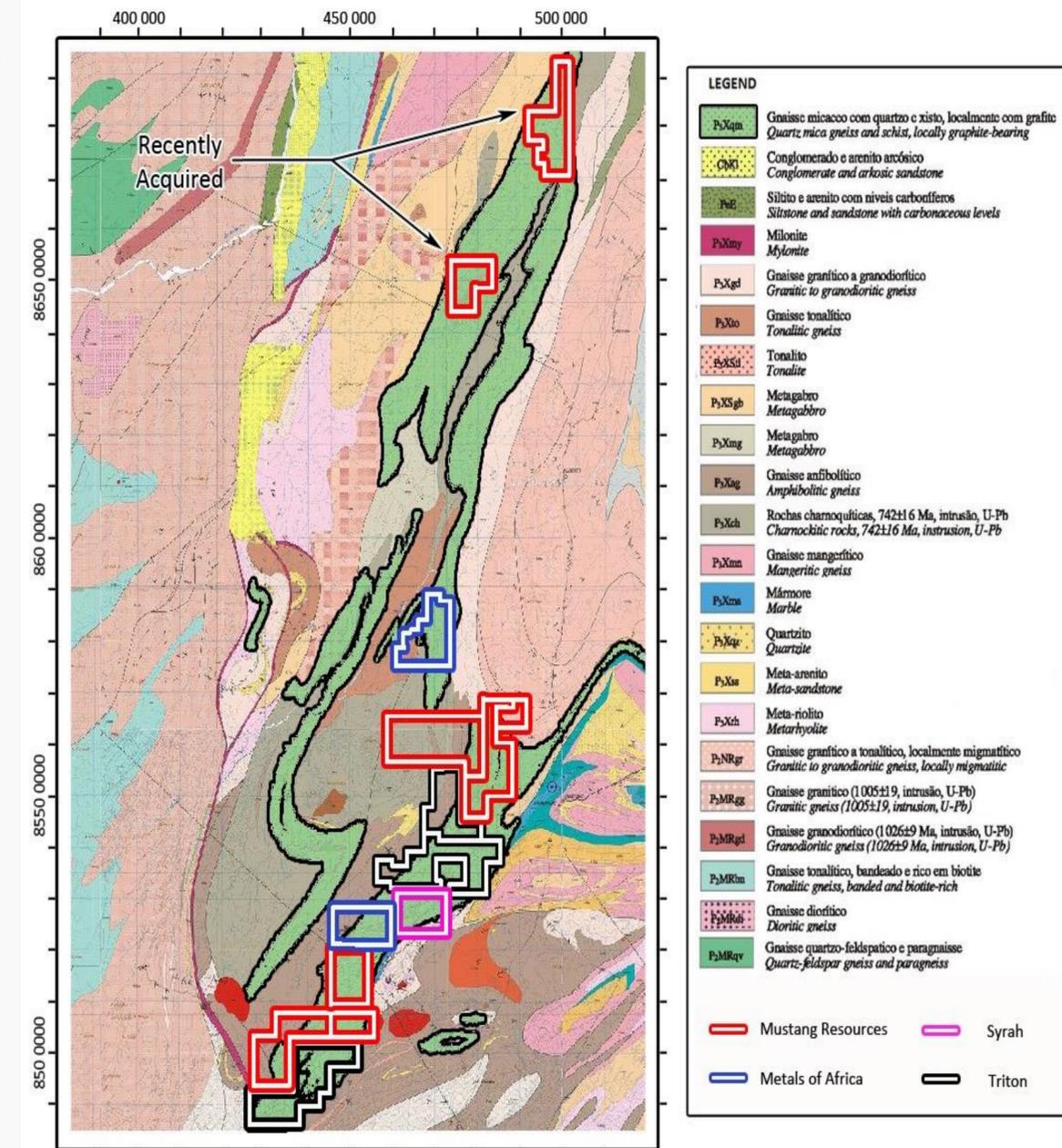
A Spectacular High Grade Graphite Discovery



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”)

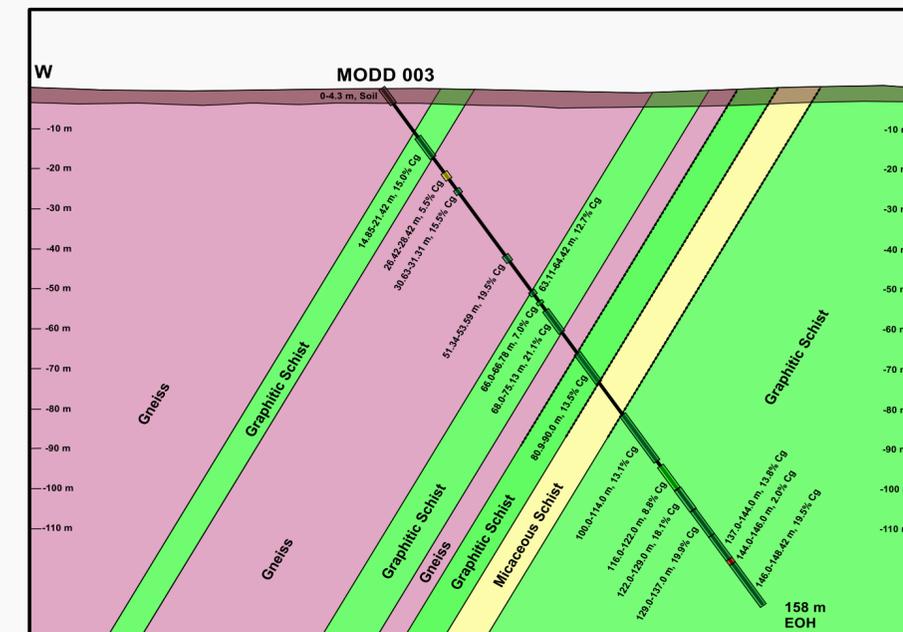
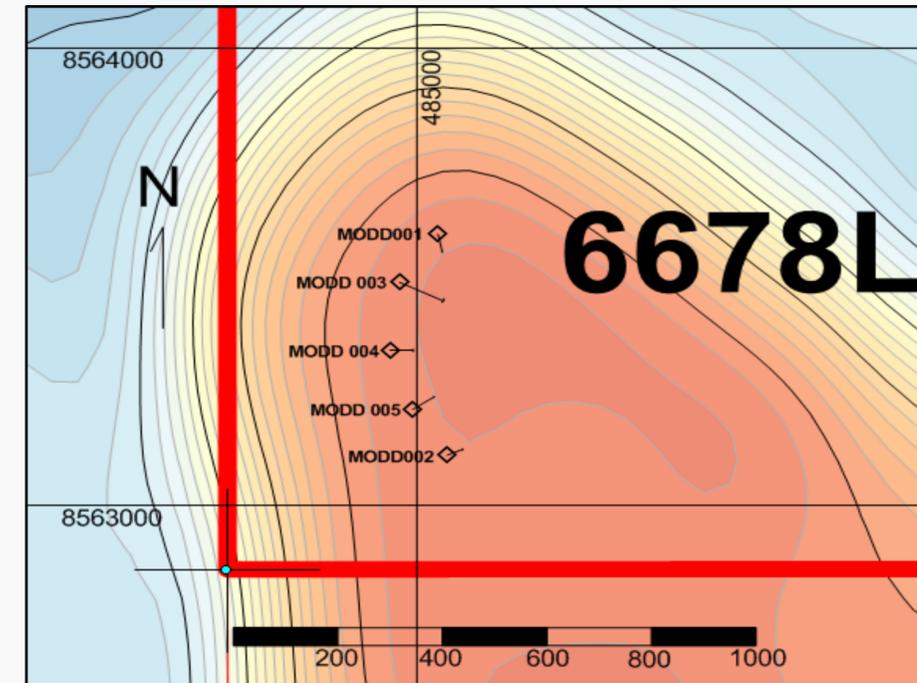


Caula Graphite Project

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 new adjacent ruby 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

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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 2: Board & Senior 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



Ian Daymond, Non-Executive Chairman

- Mr Daymond practised as a solicitor for more than 41 years as an external or in-house mining and resources lawyer and continues to provide consulting services in the mining and resources sector.
- He was General Counsel and Company Secretary of Delta Gold Ltd for over 11 years which saw the company grow from a small gold explorer into one of the largest gold producers in Australia with significant platinum and gold mining interests in southern Africa.
- Mr Daymond has significant independent director experience, having served as a non-executive director of International Base Metals Ltd with substantial copper interests in Namibia and is the former chairman of Eldore Mining Corporation Ltd (ASX: EDM), ActivEx Ltd (ASX: AIV) and Copper Range Ltd (ASX:CRJ) and a former non-executive director of Hill End Gold Ltd.
- Mr Daymond was the national chairman of the Australia-Southern Africa Business Council for 3 years and has substantial business, legal and corporate government precious, base metals and diamond projects, not only in Australia but also southern Africa over the past 25 years.
- He is currently the Honorary Consul in NSW for the Republic of Botswana and was an individual member of the Australia-Africa Mining Industry Group (now called the Australia-Africa Minerals & Energy Group (AAMEG) of which the Company has now become a corporate member) which promotes corporate social responsibility principles amongst Australian mining companies with activities in Africa.



Cobus van Wyk, 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



Peter Spiers, Non-Executive Director

- Mr Spiers has more than 30 years of international experience in the resources industry spanning exploration, mine development, operations and commercial roles.
- He spent 20 years with Western Mining Corporation ("WMC"), during which time he worked as a senior geologist, project manager and lastly Group Manager – Business Development prior to WMC being acquired by BHP Billiton for A\$9.2billion.
- Recently Mr Spiers was Managing Director of Orbis Gold, an ASX-listed West African gold company which was acquired for A\$170 million in 2015 by SEMAFO Inc. at a 98% bid premium. Mr Spiers is a graduate geologist from the University of Melbourne and a Member of the Australasian Institute of Mining and Metallurgy.

Appendix 2: Tenement Overview



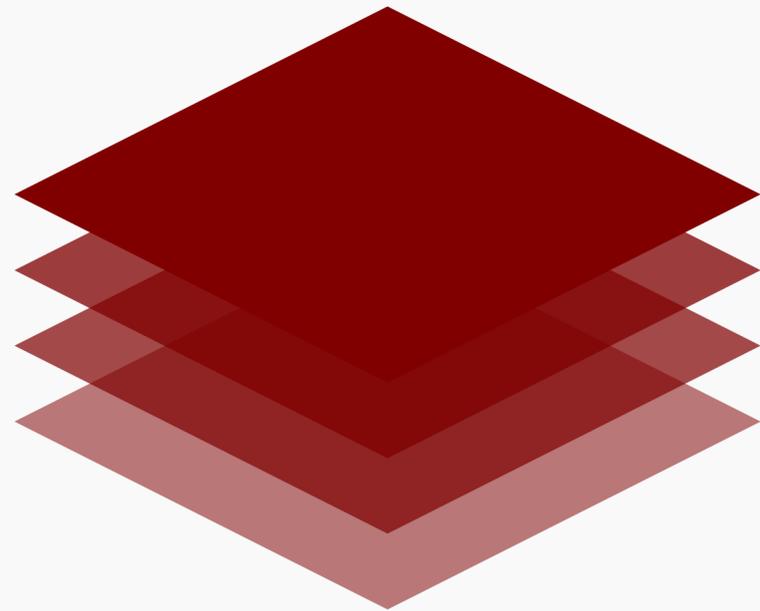
Licence No.	Area (km ²)	Commodity	Issue Date	Valid Until	Interest/Right to Earn Interest
8245L	35.0	Rubies	16-12-2016	16-12-2021	65%**
4143L	19.2	Rubies	14-12-2011	14-12-2016 #	60%
4258L	4.8	Rubies	21-07-2011	21-07-2019	52.5% to 60%
5030L	134	Rubies	03-09-2013	03-09-2018	52.5%
4661L	147.5	Graphite	11-09-2013	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; approved by shareholders on 22 May 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

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