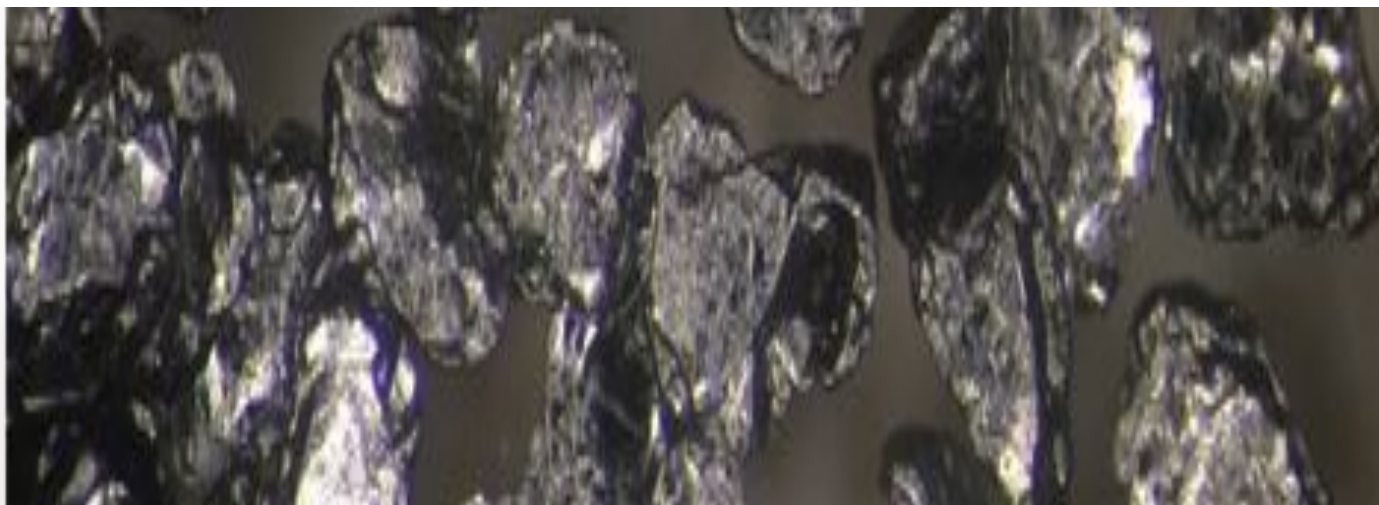




**MUSTANG**  
— RESOURCES LTD —



ASX: MUS

**An Emerging Miner and Explorer in  
Mozambique**

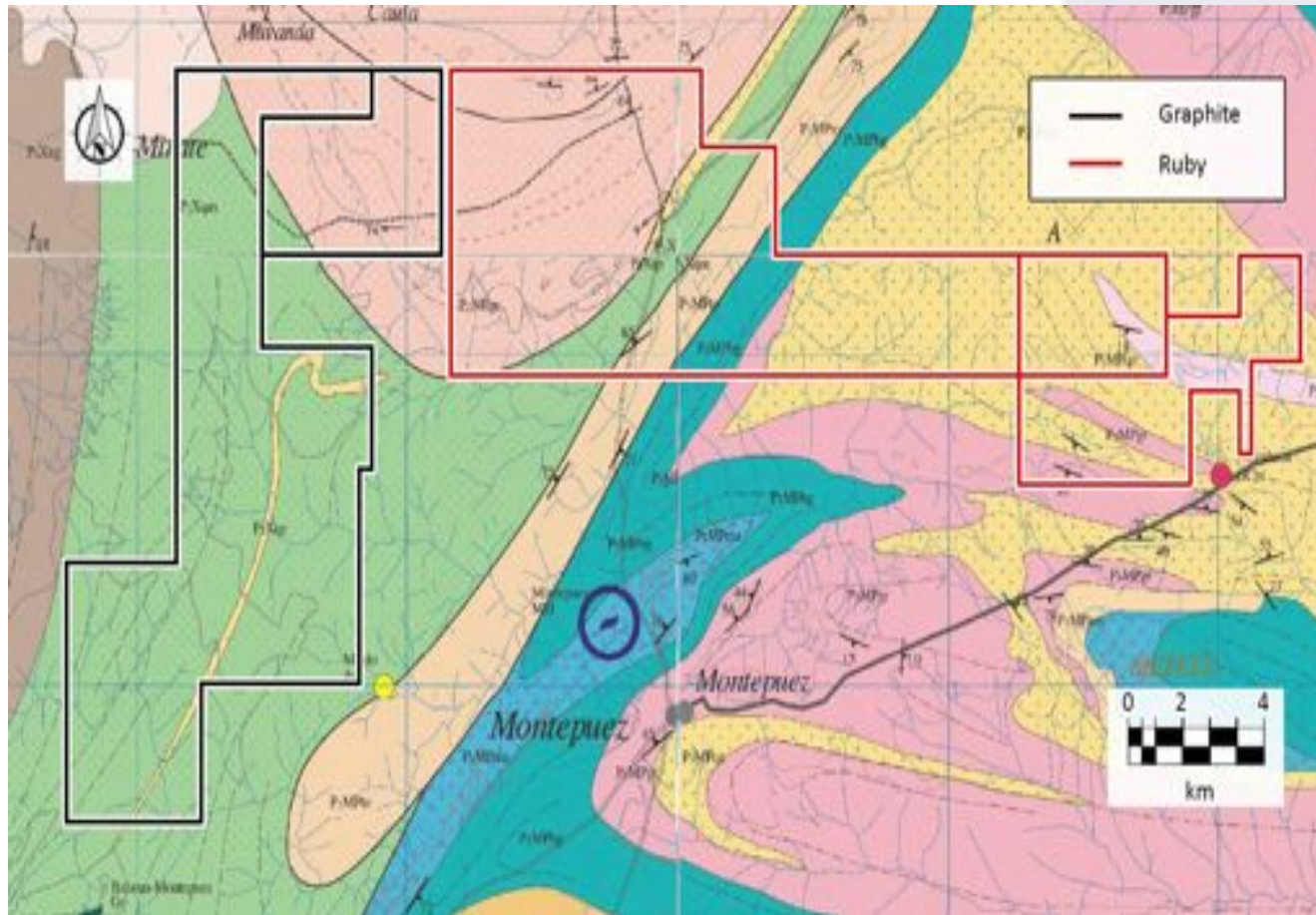
# Company Overview

- Mozambican-focused emerging developer and explorer with ruby and graphite projects in Northern Mozambique
- Revenue-generating Montepuez ruby project and high grade Caula graphite project
- Mozambique is Pro-mining and foreign investment
- As at October 2015, the World Bank portfolio had an overall net commitment of US\$1.5 billion distributed across all major sectors
- Highly experienced team with a track record in developing profitable projects in Mozambique and Africa in general





# Neighbouring Ruby and Graphite Licences



- Ruby and Graphite Licences located next to each other and share tenement boundary
- Graphite and Ruby Projects share camp, infrastructure and certain key personnel
- Currently only listed revenue generating ruby explorer and developer in the world
- World-class high grade graphite project with grade of up to 26% TGC

# Montepuez Ruby Project - New Discovery



- The Montepuez region in Mozambique represents a substantial share of the lucrative global ruby market
- Mustang's initial bulk sampling confirms significant new ruby discovery on licences with scope for expansion
- Shallow secondary deposit, with initial bulk sampling delivering gem quality rubies
- Consistent recovery of full quality range including premium category stones
- Mustang has 143sqkm of highly prospective ground and extensive secondary ruby mineralisation proven over 3,300m strike (open ended)

# Montepuez Ruby Project - Processing Plant



- 200 tonnes per hour (1,500tpd) fully operational high-efficiency pilot processing plant
- Environmentally friendly processing plant and operations with no additives or chemicals used in circuit
- Full product security
- Recovering consistent medium to high quality rubies daily through bulk sampling from different sample areas.



# Montepuez - A World-Class Gem Field



- Commercial potential highlighted by Gemfields' success in generating ~US\$335 million in ruby sales up to December 2017
- Vast majority gem/facet quality rubies come from secondary deposits (colluvial/elluvial)
- The Montepuez ruby field is very extensive, offering prospects of long mine lives
- 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**

# Montepuez Ruby Project - Development



- STRATEGY: Systematically build a resource base & generate revenue whilst doing so
  - Auger drilling + bulk sample + sales = JORC Resource
- New high-grade and shallow ruby deposits excavated and being processed at present; ruby inventory expected to increase significantly
- Initial processing of material from highly prospective deposits within new licence delivering exceptional results
- Exploration campaign will continue with goal of estimating mine life with results of bulk sampling over next 12 -18 months helping to establish average grades



# Global Coloured Gemstones Market



- 100 years ago - Diamond and Coloured Gemstone industry roughly similar size
- De Beers started development of modern era of diamond industry
- Diamond industry developed on all levels from exploration, to mining, to processing, to branding and distribution while coloured gemstone industry remained fragmented
- Global value of annual diamond production currently ca. \$13bn<sup>1</sup>
- Coloured gemstones require scientific mining, processing and also branding and marketing
- Estimated \$3.5bn annual industry<sup>2</sup> making gains on diamond industry
- Trend towards coloured gemstones already fully established

<sup>1</sup> World Diamond Council

<sup>2</sup> Sustainability issues in the coloured gemstone industry 2010 (SOMO)



# Ruby Project: Sales & Marketing



- 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
- Sales channels and strategic sales partnerships currently being developed for Mustang's ethically mined rubies
- First Revenue generated through market testing
- Developed Proprietary Grading System

# Caula Graphite Project

*A Spectacular High Grade Graphite  
Discovery*



# Caula Graphite Project - Overview



## JORC (2012) Mineral Resource

- High Grade Graphite deposit with up to 26% Total Graphitic Content (TGC)

## Premium Product

- Up to 55% Large, Jumbo and Super Jumbo Flake sizes

## Locality

- Located in Northern Mozambique and along strike from world-class Syrah Resources (ASX: SYR) deposit

## Project Status / Strategy

- Concept study drilling completed and samples being submitted for assaying and metallurgical test work. Planning to commence DFS once Concept Study completed

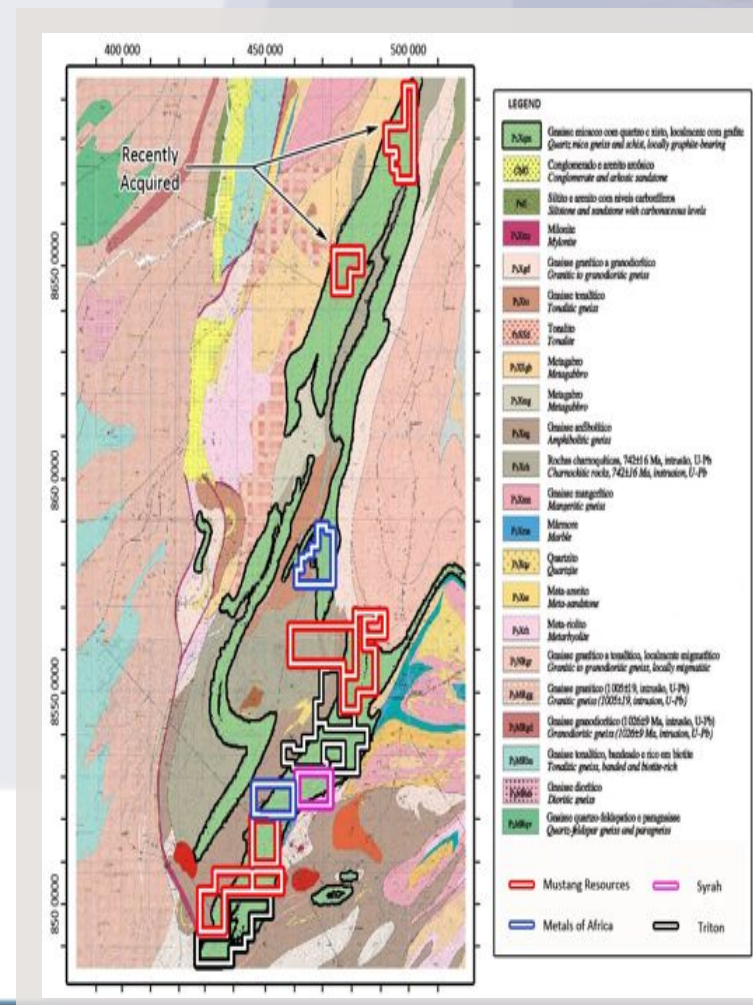




# Caula Graphite Project - Overview

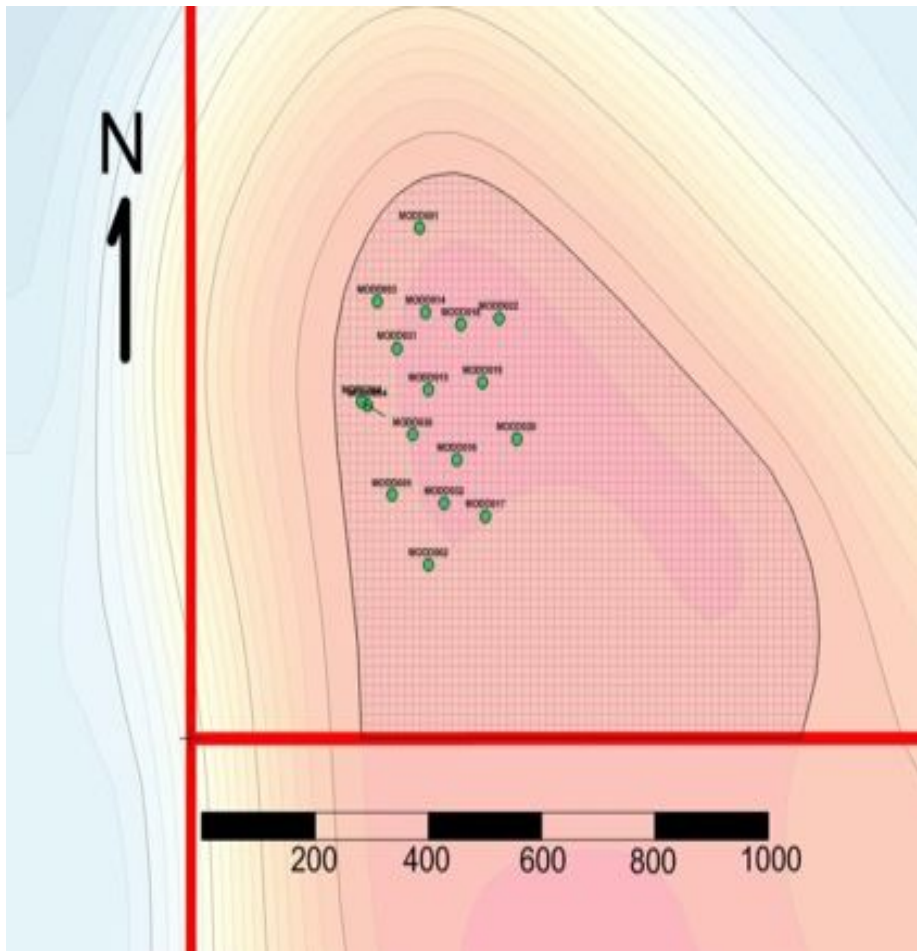


- Inferred JORC Resource of 5.4Mt at 13% TGC (6% cut-off)
- Large, Jumbo and Super Jumbo flake sizes represent 55% and 44% of total mass % in the fresh and oxide ore, respectively
- Caula deposit already showing to be world-class with up to 26% TGC and >50% Jumbo Flake sizes.
- Concept Study nearing completion, expected in Q2 2018:
  - Electro Magnetic Survey and Interpretation completed
  - RC and Diamond Drilling completed
  - Initial assaying and test work completed
  - Remaining samples currently being submitted for assaying and additional metallurgical test work
  - JORC Resource upgrade work in process



# Caula Graphite Project

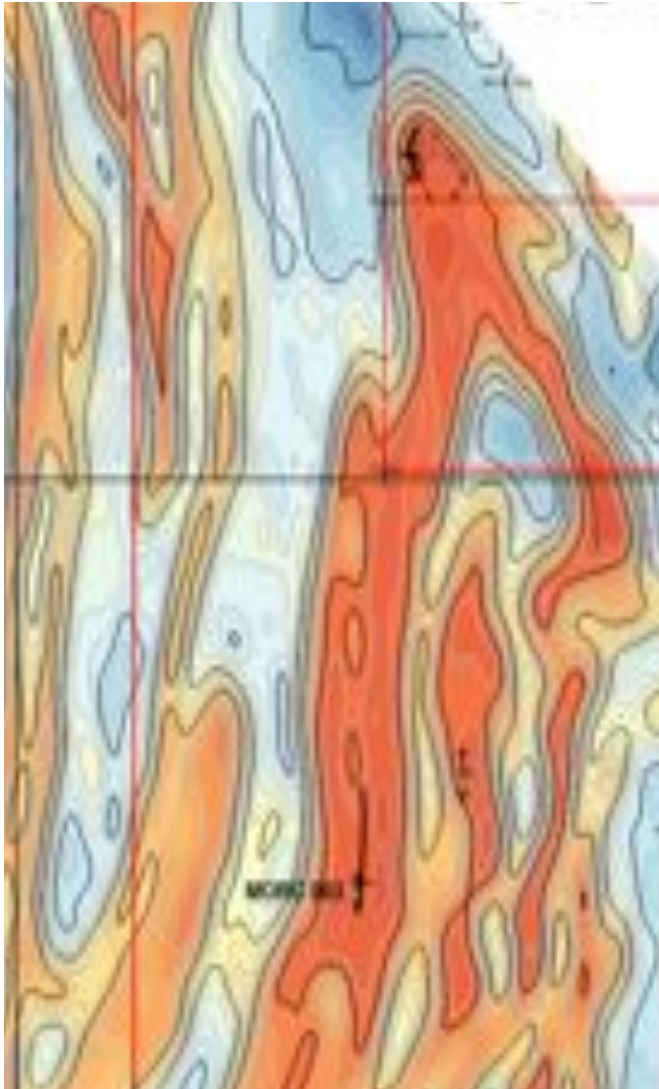
## Targeting a High Grade Graphite Resource



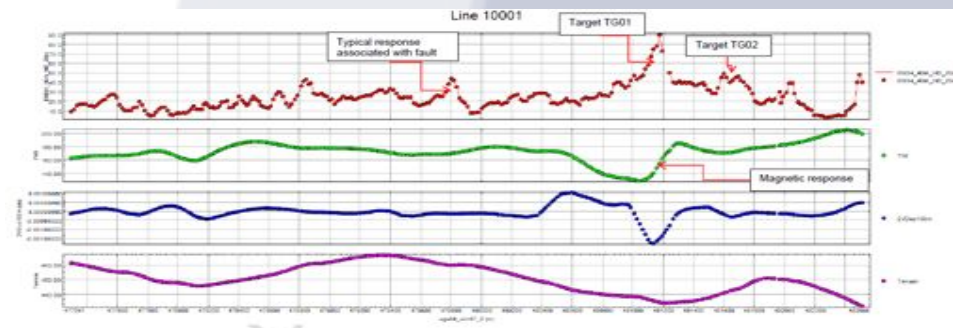
- Spectacular grades of up to 26% (TGC) demonstrate potential for Caula to become a low-cost supplier to the lithium battery industry
- High grade will enable Mustang to generate a top-quality product at a low cost, maximising margins and providing protection against any price volatility
- Drilling Results include:
  - 40m at 15.9% TGC (Inc. multiple intersections of 24-25% TGC)
  - 87m at 15.2% TGC (Inc. multiple intersections of 25-26% TGC)
- Extensive resource upside through additional drilling

# Caula Graphite Project

## Targeting a High Grade Graphite Resource



- 18km long EM anomaly over Mustang licences
- Multiple high grade graphite targets identified
- Antiform fold structure
- Highest grades associated with fold hinge structures
- 16 Diamond drill holes and 10 RC holes completed as part of Scoping Study and preceding work





# Caula Graphite Project

## Superior Metallurgy Proven with Initial Testing



- Metallurgical tests have produced high-grade concentrates (>95% TGC) and exceptional recoveries (96% recovery from fresh rock composite sample) from the Caula Graphite Project
- More than 55% of the fresh graphite and 44% of oxide ore assayed has been classed as Large, Jumbo and Super Jumbo Flakes
- Tests were conducted using a simple, conventional flowsheet processing samples with ~13% TGC head grade
- Results demonstrate Caula's potential to be a low-cost supplier to the expandable graphite and lithium ion battery industries
- The TGC recoveries of both ore types are expected to further improve

Graphite Product	Size Fraction	Fresh Composite		Oxide Composite	
		Mass	TGC	Mass	TGC
	µm	%	%	%	%
Jumbo Flake	300	23.8%	97.90	16.6%	97.20
Large Flake	180	31.2%	97.26	27.2%	96.19
Total		55%		43.8%	

# Summary - Key Investment Takeaways



- Premier ruby project in a world-class gemstone province
- Management team with in-country experience & “skin in the game”
- Ruby Sales and market development progressing well
- Outstanding exploration upside and growth potential on both projects
- Significant additional upside from Tier-1 High Grade Caula graphite project

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