



22 May 2018

Mustang agrees amended terms with Arena Investors

Tranche 2 face value reduced to \$2.1 million from \$4 million

Mustang Resources (**ASX: MUS**) is pleased to announce that it has agreed to amend the terms of the A\$19.95 million investment facility from Arena Investors LP (refer to ASX Announcement dated 8 January 2018 "Mustang Secures \$19.95 million funding package from leading institutional investor").

This will see the Company split Tranche 2 into two parts, thereby reducing the amount of the end-May 2018 (Tranche 2) drawdown of convertible notes from A\$3.8 million (face value of A\$4 million) to A\$1.995 million (face value of A\$2.1 million) and deferring the balance of the original Tranche 2 drawdown until later in June or July 2018. Details of the amendments are listed in Appendix A. The overall financial commitment by Arena Investors LP to the Company has not changed.

Mustang Managing Director Dr. Bernard Olivier said: *"The continued strong support from Arena, a major global institutional investor managing in excess of US\$750 million, is testimony to the quality of Mustang's Montepuez Ruby and Caula Vanadium-Graphite projects. The reduction in the original Tranche 2 quantum to be drawn end of May 2018 will result in less potential equity dilution for existing shareholders, but does not adversely affect the funding of the Company's planned project activities in June and July 2018."*

For and on behalf of the Company.

Dr. Bernard Olivier
Managing Director

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COMPANY INFORMATION

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

Current Shares on Issue:
907,387,525

Market Capitalisation:
\$18.14M as at 21 May 2018

COMPANY DIRECTORS

Ian Daymond
Chairman

Bernard Olivier
Managing Director

Cobus van Wyk
Chief Operating Officer

Christiaan Jordaan
Director

Evan Kirby
Director

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Appendix A – Summary of material amendments to Convertible Note Deed

1. The first follow on tranche has been split into two separate tranches as follows:
 - a. A\$1.995 million (A\$2.1 million face value) (**Tranche 2A**); and
 - b. A\$1.805 million (A\$1.9 million face value) (**Tranche 2B**).The amount for all other tranches remains unchanged.
2. Tranche 2A is able to be drawn down at the same time as the original first follow on tranche (May 2018), however, the draw down of Tranche 2B will be on and from 25 June 2018. The minimum 3 to 4 months between the remaining tranches remains unchanged.
3. The issue of convertible notes under Tranche 2B will be out of the Company's placement capacity under Listing Rule 7.1. The issue of options under Tranche 2B and the issue of convertible notes and options under each other tranche continue to remain subject to shareholder approval which the Company will seek at the appropriate time during the term of the facility.
4. The conversion price for Tranche 2B is **the higher of:**
 - a. the lowest 1 day VWAP as published by Bloomberg during the prior 20 Trading Days period ending on the last Trading Day before the Conversion Date; and
 - b. \$0.016.The conversion price of all other tranches remains unchanged.

About Arena Investors

Arena is a global investment firm and merchant capital provider that seeks to generate attractive risk-adjusted and uncorrelated returns by investing in a highly diversified portfolio across the entire credit spectrum. Based in New York City, Arena employs a team of 42 professionals and was formed in partnership with The Westaim Corporation, a publicly traded Canadian holding company focused on the financial services industry. See www.arenaco.com.

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