



31 July 2018

Edison Investment Research Report – Retraction of Statements

COMPANY INFORMATION

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

Current Shares on Issue:
997,692,269

Market Capitalisation:
\$17.25M as at 30 July 2018
@\$0.018 per share

COMPANY DIRECTORS

Ian Daymond
Chairman

Bernard Olivier
Managing Director

Cobus van Wyk
Chief Operating Officer

Christiaan Jordaan
Director

Evan Kirby
Director

Following discussions with the ASX regarding compliance with clause 51 of the JORC Code 2012 and Listing Rule 5.6, **Mustang Resources Ltd (“Mustang”, the “Company”) (ASX:MUS)** hereby retracts the below statements made by Edison Investment Research Ltd (“Edison”) regarding their “in-situ” peer group resource multiple valuation of the Caula Vanadium-Graphite project. Edison is an independent research company commissioned by Mustang to conduct research on the Company, for distribution to their global network. Edison published a report on Mustang dated 24 July 2018.

Retracted Statements:

“Based on applying peer-group in-situ resource multiples to Caula’s 2,933kt of contained graphite (24 July 2018 resource update) and 81.6kt of contained vanadium (20 July 2018 maiden resource update), we would value the Caula graphite resource at US\$27.5m (A\$37.5m) and the vanadium resource at US\$16.8m (A\$22.9m) for a total valuation for Caula of US\$44.2m (A\$60.3m). This does not take into account any potential upside should further drilling continue to increase the scale of this project.”

“On average, graphite exploration and development companies trade at a multiple of US\$9.36 per tonne of in-situ graphite contained in measured and indicated resources while vanadium companies trade at an average of US\$205.49/t per tonne of in-situ vanadium in measured resources.

Applying these multiples to Caula’s graphite and vanadium resources respectively gives us a valuation for graphite of US\$27.5m (A\$37.5m), and for vanadium of US\$16.8m (A\$22.9m).”

Mustang has informed Edison of these discussions and requested that the report be updated and republished. Investors should not rely on the retracted information as a basis for an investment decision in relation to Mustang’s shares.

Mustang Resources Managing Director Bernard Olivier Commented “Unfortunately some sections of the report by Edison, a globally recognised independent research company with more than 420 corporate clients and more than 1,000 published mining sector research reports, were not in strict compliance with clause 51 of the JORC Code 2012. Edison have confirmed that they will publish an updated note on their website shortly. Mustang remains encouraged by the exceptional recent results from the Caula Vanadium-Graphite Project in Mozambique and look forward to providing the market with an update on the project shortly.”

Twitter: @Mustang_Res
mustangresources.com.au

For and on behalf of the Board

Dr. Bernard Olivier
Managing Director

FOR FURTHER INFORMATION, PLEASE CONTACT:

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ABOUT MUSTANG RESOURCES LTD

Mustang Resources Ltd is an ASX listed company (ASX:MUS) focused on the development of the Caula Vanadium-Graphite Project in Northern Mozambique, located along strike from the Syrah Resources Ltd (ASX:SYR) Balama Project. In July 2018¹ Mustang announced a maiden vanadium JORC Measured Resource for Caula of 22Mt at 0.37% V₂O₅ for 81,600 tonnes of contained vanadium pentoxide. The Company concurrently announced a 317% increase in its JORC Graphite Resource to 21.9Mt at 13.4% Total Graphitic Carbon ("TGC") (8% cut-off), for a total of 2,933,100 tonnes of contained Graphite, all in the measured category.

The Company has a highly experienced board and management team with a 15-year track record of investment and successful project development in Mozambique and the Africa region. With the aim to become a key provider of graphite and vanadium, both key components used in battery production, the company currently has a scoping study underway, which is due for completion in Q3 2018, targeting production from Phase 1 trial mining by mid 2019.

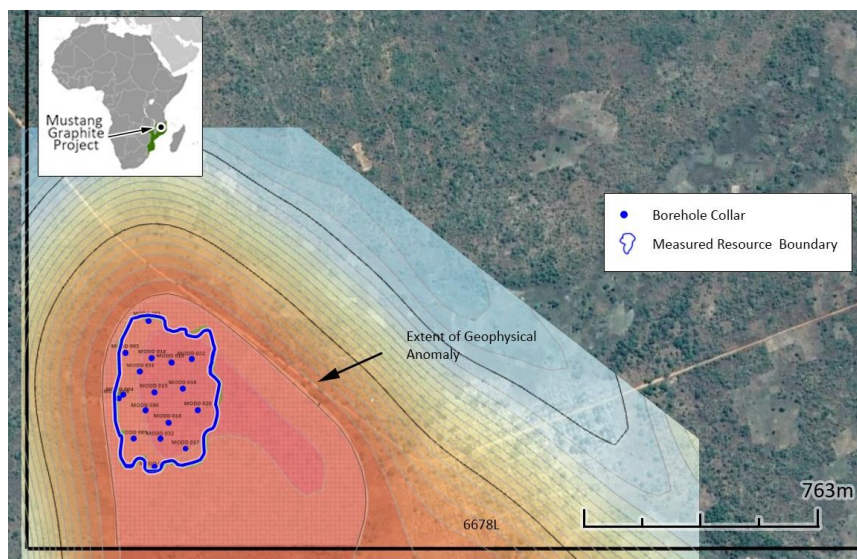


Figure 1. Mustang's Caula Vanadium-Graphite Project

¹ Refer to ASX Announcements dated 20 July 2018 and 24 July 2018 respectively

CONFIRMATION:

Mustang confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements referenced throughout this announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Mustang confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

COMPETENT PERSON'S STATEMENT:

Information in this report that relates to 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 to Sumsare Consulting, Witbank, South Africa which 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.

Information in this report that relates to the metallurgical aspects of the Caula Graphite & Vanadium Project is based on information compiled by Dr. Evan Kirby, a Competent Person who is a registered member of the South African Institute for Mining and Metallurgy (SAIMM), which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Dr Kirby is a Non-Executive Director of the company. Dr Kirby 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. Dr Kirby consents to the inclusion of the data in the form and context in which it appears.

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 statement.