



10 June 2015

UPDATE ON THE SAVE RIVER DIAMONDS PROJECT IN MOZAMBIQUE

Highlights:

- **Surface trial mining ongoing with 5 trenches tested to date**
- **To date Mustang has been able to process shallow gravels up to 3.5 metre depth**
- **Diamond expert Competent Person engaged to evaluate and analyse results**
- **Announcement of results being finalised by Competent Person for imminent release to shareholders**

Mustang Resources Ltd (ASX: **MUS**) (“Mustang” or the “Company”) is pleased to announce an update on exploration activities on its Save River Diamonds Project located in southern Mozambique.

The Company has engaged a qualified diamond geologist to evaluate and analyse results from the recent trial mining program and expects to announce the independently verified results shortly.

Project Background

The Save River Diamonds Project is the collective name for the two concessions in the Gaza Province alongside the Save River in Mozambique bordering Zimbabwe, namely 4525L (\pm 2,384.23 ha) and 4969L (\pm 21,700 ha), as shown in Figure 1.

Mustang following its relisting and achievement of all the conditions precedent currently holds 78% of Save River Diamonds Pty Ltd which in turn holds the rights to acquire a 65% interest in prospecting and exploration licence 4969L. Furthermore Mustang holds 74% of the issued capital of Sese Diamonds Pty Ltd with Sese holding 70% of Mozvest Mining Limitada the holder of licence 4525L.

In summary, Mustang owns a right to 50.7% of 4969L and 51.85% of 4525L.

COMPANY INFORMATION

Mustang Resources Ltd
ABN 34 090 074 785

COMPANY DIRECTORS

Ian Daymond: Chairman
Mark Freeman: Director
Chris Ritchie: Director

MANAGEMENT

Chris Ritchie: CFO / Co Sec

STOCK EXCHANGE LISTING

Australian Securities Exchange
ASX Code: MUS

Current Shares on Issue:
90,231,336

Market Capitalisation to be
determined upon relisting later
today.

CURRENT PROJECTS

Diamonds
- Save River Project
Graphite
- Balama Project

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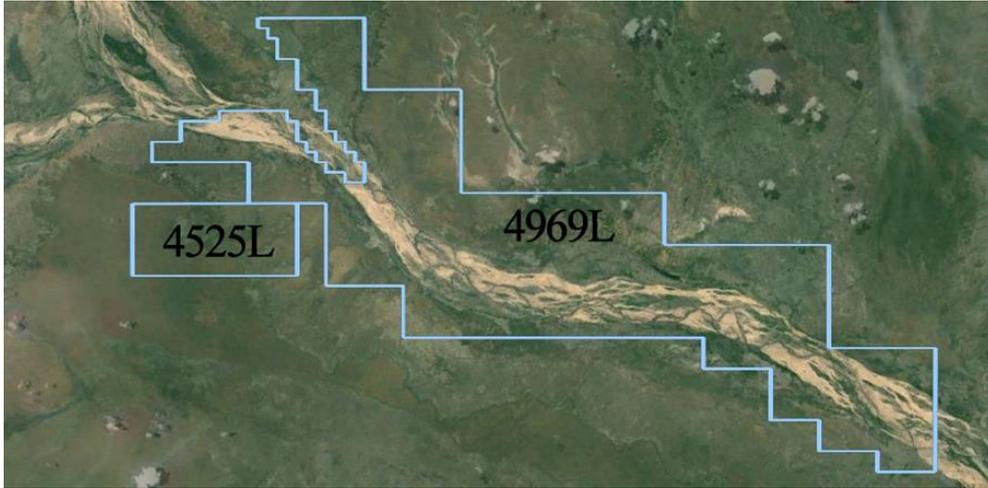


Figure 1: Mustang's Save River Diamonds Project

Table 1 Save River Diamonds project licence details

Licence No.	Area (km ²)	Status	Issue Date	Valid Until	Interest
4525L	23.84	Granted	22-11-2011	22-11-2016	51.8%
4969L	217	Granted	26-04-2012	26-04-2017	50.7%

Initial Exploration Program

Surface trial mining has begun in order to search for the presence of diamonds. Trial mining began on 23 March 2015. To date 5 samples have been processed with their locations illustrated in Figure 2. Samples were taken above a hard calcrete layer as the machinery currently on site was not able to break through it (3.5m maximum depth achieved to date).

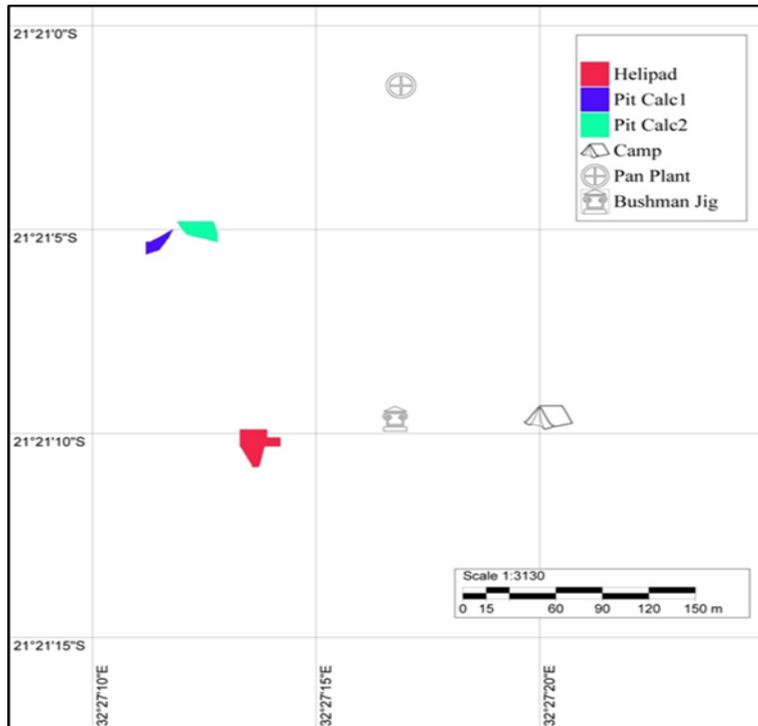


Figure 2: Location of trenches excavated in relation to the camp and processing plant

Processing of gravels will continue across the project area to test potential for bearing diamondiferous gravels from the different terraces and eventually to establish indicative yields.

Once the samples have been processed, the pits/trenches will be backfilled with the ejected material larger than 25mm and with washed material excavated from each pit that bears no significance (i.e. the light fraction). Should a site not show potential for an alluvial diamond fraction, the backfilled site will be allowed to be naturally rehabilitated by vegetation.

Dr Tania Marshall, an independent & highly experienced Competent Person, visited the site in April 2015 and is currently finalising a report for announcement to shareholders and the market.

For and behalf of the Company

Ian C Daymond

Chairman

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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 believes 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 statements.