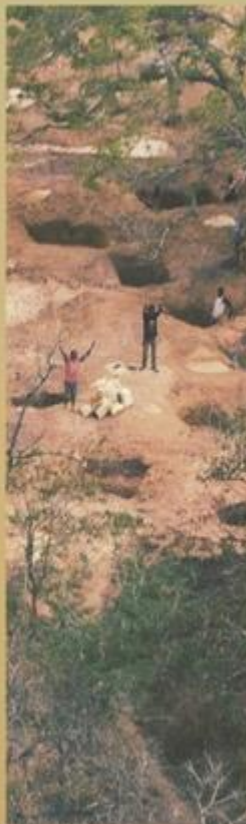




## MUSTANG RESOURCES LIMITED

ABN 34 090 074 785

### Ruby Project Overview February 2016



**NOT A PROSPECTUS OR OTHER  
DOCUMENT REQUIRING LODGEMENT  
WITH ASIC. INTENDED FOR  
INSTITUTIONAL, SOPHISTICATED &  
PROFESSIONAL INVESTORS ONLY UNDER  
S.708 OF THE CORPORATIONS ACT**



# Mustang Resources Ltd

## Ruby Project Overview

### Purpose of this Document

Mustang Resources Ltd ("Mustang") is a public company listed on the Australian Securities Exchange (ASX) under ticker code MUS.

This document provides an overview of the Mustang projects, focussed on the exciting ruby project recently secured by Mustang.

### Project Description

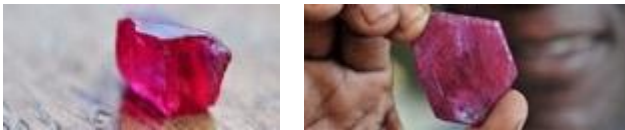
Mustang has recently acquired (subject to a number of conditions precedent, including shareholder approvals) a portfolio of highly prospective ruby gemstone assets in Mozambique. Mustang is now set for rapid growth through the development of its ruby projects in Cabo Delgado Province. This project has the potential to drive significant shareholder value through exploration success and potential for near term cash flows from planned bulk sampling

### Investment Highlights

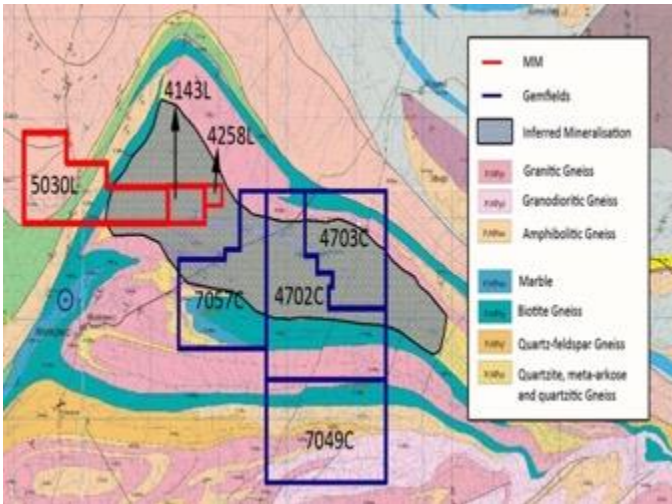
- Successfully developing its portfolio of mining assets in Mozambique.
- Agreed to acquire 3 highly prospective ruby assets adjacent to world's single largest known ruby deposit being mined by Gemfields PLC.
- Gemfields sold US\$160 million of rubies from their bulk sampling inventory from 2014-2016.
- Mustang to initiate bulk sampling on ruby assets in Q1-2016, target areas identified.
- Expert team with >150 years of collective experience in alluvial operations & geology.

### Montepuez Ruby Project

On 22 October 2015 Mustang announced the acquisition of three ruby assets within the Montepuez Ruby province in Northern Mozambique totalling 15,800 ha. This strategic acquisition marks a major milestone in the Company's goal of becoming a gemstone producer in the near term.



- Montepuez area is a renowned ruby province and has become the **largest single source of ruby production globally.**
- Gemfields PLC (AIM:GEM) discovered the **world's largest known ruby deposit located adjacent to Mustang licences.**
- Gemfields recently realised **US\$122 million in four separate auctions** for approximately 6 million carats of the 16 million carats of **rubies mined during its bulk sampling phase.**
- Strong global demand for coloured gemstones with **Mozambique alluvial rubies selling for >US\$600 per carat** with quality that matches Burmese 'Pigeon-Blood' rubies.
- As seen below Mustang's licences occur **along the same geological strike as the Gemfields ruby occurrence.**
- Fieldwork done to date has identified exploration focus area and sampling targets



# Mustang Resources Ltd

## Ruby Project Overview

### Independent Geological Assessment

- Mr. Paul Allan, an experienced ruby and diamond geologist who managed Gemfields PLC's exploration activities from 2012 to 2014 evaluated the licences and has joined the project team.
- Field work in Oct/Nov 2015 and Jan 2016 using a helicopter to assist with mapping.
- Next steps: Systematic trenching followed with bulk sampling plant using rotary pan(s) to recover rubies. Supported by auger drilling.
- **Bulk sampling start up in Q-1 2016.**

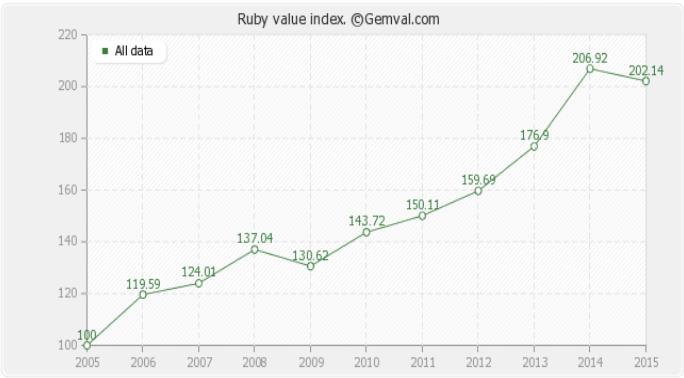
Mustang believe these licences form part of a much larger geologically unique occurrence, which to date remains largely unexplored and under-developed

"The presence of active artisanal ruby mining activity on these license areas (as shown below) together with the underlying geology makes them highly prospective and warrants further exploration including the undertaking of bulk sampling activities." (P.Allan. IGR. Sep 2015)



### Ruby Market Fundamentals

- Ruby market size (est.) at US\$2.1billion p.a
- Most expensive gemstone after diamonds, fine rubies >5cts extremely rare
- Before Montepuez, supply has been fractured and unreliable (Burma, Pakistan, Madagascar)
- Demand from US, Europe, India, Thailand & China
- Asian consumer demand has caused prices of rubies to soar
- 25.59 "Sunrise" ruby ring sold for US\$30million in June 2015 Sotheby's Geneva auction.
- Organized mining, sales and marketing of Rubies from Mozambique will assist in market growth



"It has been my contention that the production of Ruby in Mozambique contributed to significant growth in the market. Fine Mozambique ruby has been well received in the past few years. The market has been happy to consume this material and dealers have celebrated the increased availability of natural and "no-heat" as well as heated ruby in the market." [Stuart Robertson, Gemguide Nov/Dec 2015 Vol 34 Issue 6]

### Mozambique Ruby Prices

The below table provides a recent (November/December 2015) summary of market prices (in US\$ per ct) for rubies mined in Mozambique. Encouraging for Mustang is the exceptional prices of higher quality larger (4 to 5 ct) rubies ranging from US\$12,350/ct to US\$40,000/ct. With low operating costs of circa US\$5/ton and expected high grades of premium rubies from alluvial sources (>7cts per ton for Gemfields), the outlook for the Mustang ruby mining project looks very favourable

Corundum - Ruby					
Unenhanced, Atributed to Mozambique (US\$/ct)					
	Fine		Extra Fine		
	Lower	Upper	Lower	Upper	
	7	8	9	10	
.50 - .99 ct.	2,400-3,840	4,200-4,800	5,400-6,750	6,750-7,500	
1.00 - 1.99 ct.	3,600-5,400	6,000-7,800	8,250-10,100	10,500-12,900	
2.00 - 2.99 ct.	5,625-8,750	9,000-10,250	11,750-15,000	16,875-19,800	
3.00 - 3.99 ct.	9,750-11,700	11,500-16,250	17,200-19,925	22,800-27,650	
4.00 - 4.99 ct.	12,350-17,550	18,350-24,000	24,300-30,900	32,250-40,000	

# Mustang Resources Ltd

## Ruby Project Overview

### Company Information

**Name:** Mustang Resources Ltd

**Registration Number:** ABN: 34 090 074 785

**Main Listing:** ASX: MUS

**Board of Directors & Advisors:**

- Ian Daymond: Chairman
- Christiaan Jordaan: Managing Director
- Cobus van Wyk: Non-Exec Director
- Andrew Law: Non-Exec Director
- Frank Petruzzelli: Non-Exec Director
- Dr. John Bristow: Advisor to the Board

**Market Cap:** A\$11.5 million (29 January 2015);

**Shares on Issue:** 104,429,097



### Recent Corporate Developments

- Simplifying capital structure through cancellation of performance rights and amendment of ruby acquisition terms (subject to shareholder & ASX approval)
- Christiaan Jordaan appointed Managing Director with an excellent track record & expertise in Mozambique
- Dr. John Bristow appointed gemstone specialist advisor to the Board
- Board changes to achieve a majority of non-executive directors
- Share Placement & Converting Loans for A\$5.75 Million completed
- A\$5 million investment from Lanstead Capital LP (Lanstead), a UK institutional investor that has completed a number of successful and value accretive investments in ASX-listed resources companies over the course of 2015

Following the signing of agreements with Mustang, Greg Kofford, Co-Founder of Lanstead commented: "We are very excited about the growth prospects that Mustang provides, and through this investment, our aim is to provide Mustang with the support and capital the company needs to add continuing value to its asset portfolio in Mozambique. The fact that we have also acquired a small stake in the Montepuez Ruby Project is further evidence of our long term commitment to Mustang."

"Our partnership approach and sharing agreement when investing has allowed many of the companies in which we invest to outperform their peers as evidenced from some of the successes we have had this year. As a result of the support we provide, both companies and market participants regard Lanstead as a long-term and committed shareholder."

### About Lanstead



Lanstead Investors is a UK based global investment firm that invests in listed small and mid-cap growth companies. Established in 2007, the firm now has offices in Sydney, London and Utah. Lanstead is focused on backing high performing management teams that can use our capital to complete significant milestones in their business. Consequently, this accelerates growth and causes an upward revaluation in the marketplace.



## CONTACT DETAILS:

**Mr. Christiaan Jordaan**  
**Managing Director**  
[christiaan@mustangresources.com.au](mailto:christiaan@mustangresources.com.au)  
**+27 82 338 4668**



### 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 statements.

### COMPETENT PERSON'S STATEMENTS:

Information in this document that relates to the Montepuez Ruby Project's Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Dr John Bristow, 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. Dr Bristow is an independent consultant who was engaged by the company to undertake this work. Dr Bristow 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 Bristow consents to the inclusion of the data in the form and context in which it appears.

### NOT A PROSPECTUS OR OTHER DOCUMENT REQUIRING LODGEMENT WITH ASIC AND IS INTENDED FOR SOPHISTICATED & PROFESSIONAL INVESTORS

This memorandum is being provided to persons who, or in circumstances that, fall within one of the exclusions from the disclosure requirement contained in section 708 of the Corporations Act 2001 (Cth) (Corporations Act). Therefore, this document is not a prospectus or other disclosure document required to be lodged with the Australian Securities and Investments Commission under Chapter 6D of the Corporations Act; or is it a product disclosure statement or similar document required under Chapter 7 of the Corporations Act. Accordingly, this document does not contain the information which would be contained in a prospectus or other disclosure document prepared under the Corporations Act and does not purport to contain all of the information that may be necessary or desirable to enable a potential investor to properly evaluate and consider an investment in Mustang.

566 Elizabeth Street  
Victoria, 3000 Australia  
[www.mustangresources.com.au](http://www.mustangresources.com.au)

