

Appendix 3B

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Mustang Resources Limited

ABN

34 090 074 785

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | 1>. Unquoted Ordinary Shares – subject to escrow until 2 March 2017
2>. Ordinary Shares
3>. Unquoted Options
4>. Quoted Options
5>. Quoted Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1>. 31,550,418
2>. 19,588,583
3>. 8,750,000
4>. 4,500,000
5>. 1,097,815 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1>. Fully paid ordinary shares
2>. Fully paid ordinary shares
3>. Options with an exercise price of \$0.25 and an expiry date of 30 June 2017
4>. Options with an exercise price of \$0.25 and an expiry date of 30 June 2017 and an issue price of \$0.005
5>. Options with an exercise price of \$0.25 and an expiry date of 30 June 2017. |

+ See chapter 19 for defined terms.

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New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1>. No 2>. Yes 3>. No 4>. Yes 5>. Yes</p> <p>1>. Will rank equally on expiry of escrow period on 2 March 2017.</p> <p>3>. Unquoted Security.</p>
<p>5 Issue price or consideration</p>	<p>1>. \$0.20 2>. \$0.20 3>. Nil 4>. \$0.005 5>. Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1>. Issued 27,041,668 shares to vendors of Montepuez Minerals Pty Ltd, which holds the rights to earn majority interests in three ruby licences. Issued 1,665,000 to the vendor of the two additional graphite licences. Issued 2,843,750 shares to the holders of cash performance rights that were cancelled.</p> <p>2>. Issued 12,500,000 shares to Lanstead Capital LP as required under Tranche B of the previously announced agreement, 3,293,445 shares to convertible loan holders and 3,513,888 shares to non-escrowed vendors of Montepuez Minerals Pty Ltd and 281,250 shares to a holder of cash performance right that was cancelled.</p> <p>3>. Issued to Lanstead as required under the previously announced agreement.</p> <p>4>. Issued under directors discretion from the shortfall from the Option Entitlement Prospectus</p> <p>5>. Issued under the Converting Loan agreement upon conversion of the principal and accrued interest on the loans.</p>

⁺ See chapter 19 for defined terms.

6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	20 November 2015
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Nil
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Nil
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of securities issued under an exception in rule 7.2	Nil
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 23,335,215 7.1A 15,556,810

⁺ See chapter 19 for defined terms.

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7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	2 March 2016									
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in section 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>90,987,620</td><td>Ordinary Fully Paid Shares</td></tr><tr><td>26,067,828</td><td>Listed Options - MUSO Exercise price of \$0.25 Expiry Date: 30 June 2017</td></tr><tr><td>5,256,353</td><td>Listed Options Exercise price of \$0.25 Expiry Date: 30 June 2017 <Balance of Shortfall of Option Entitlement Prospectus, ability to place expires 18 March 2016></td></tr></table>	Number	⁺ Class	90,987,620	Ordinary Fully Paid Shares	26,067,828	Listed Options - MUSO Exercise price of \$0.25 Expiry Date: 30 June 2017	5,256,353	Listed Options Exercise price of \$0.25 Expiry Date: 30 June 2017 <Balance of Shortfall of Option Entitlement Prospectus, ability to place expires 18 March 2016>	
Number	⁺ Class										
90,987,620	Ordinary Fully Paid Shares										
26,067,828	Listed Options - MUSO Exercise price of \$0.25 Expiry Date: 30 June 2017										
5,256,353	Listed Options Exercise price of \$0.25 Expiry Date: 30 June 2017 <Balance of Shortfall of Option Entitlement Prospectus, ability to place expires 18 March 2016>										

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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in section 2 if applicable)	27,380,060	Unquoted Restricted Fully Paid Ordinary Shares – Escrowed to 21 May 2016
		5,650,000	Unquoted Restricted Fully Paid Ordinary Shares – Escrowed to 10 June 2017.
		31,550,418	Unquoted Restricted Fully Paid Ordinary Shares – Escrowed to 2 March 2017
		149,253	Unlisted Options Exercise Price: \$0.2412 Expiry Date: 10 November 2017
		2,238,806	Unlisted Restricted Options – Escrowed to 21 May 2016 Exercise Price: \$0.21 Expiry Date: 22 May 2017
		500,000	Unlisted Restricted Options – Escrowed to 10 June 2017. Exercise Price: \$0.20 Expiry Date: 31 October 2016
		1,500,000	Unlisted Restricted Options – Escrowed to 10 June 2017 Exercise Price: \$0.20 Expiry Date: 1 December 2016
		8,750,000	Unquoted Options Exercise Price: \$0.25 Expiry Date: 30 June 2017
		2,238,806	Unlisted Class A Performance Rights Escrowed to 21 May 2016
		1,119,403	Unlisted Class B Performance Rights Escrowed to 21 May 2016
		2,238,806	Unlisted Class C Performance Rights Escrowed to 21 May 2016
		1,119,403	Unlisted Class D Performance Rights Escrowed to 21 May 2016
		7,140,000	Unlisted Class E Performance Rights Escrowed to 21 May 2016
		6,860,000	Unlisted Class E Performance Rights Escrowed to 10 June 2017.
		7,140,000	Unlisted Class F Performance Rights Escrowed to 21 May 2016
		6,860,000	Unlisted Class F Performance Rights Escrowed to 10 June 2017.
		7,140,000	Unlisted Class G Performance Rights Escrowed to 21 May 2016
		6,860,000	Unlisted Class G Performance Rights Escrowed to 10 June 2017.

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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	

+ See chapter 19 for defined terms.

23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
 (tick one)
- (a) ☒ Securities described in Part 1

⁺ See chapter 19 for defined terms.

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(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

The information required under items 35 & 36 will be provided upon the issue of the securities.

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Number</th> <th style="width: 50%; text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 80px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may
quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not
for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will
not require disclosure under section 707(3) or section 1012C(6) of the
Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give
this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any
applications received by us in relation to any +securities to be quoted and
that no-one has any right to return any +securities to be quoted under
sections 737, 738 or 1016F of the Corporations Act at the time that we
request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the
+securities to be quoted under section 1019B of the Corporations Act at the
time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any
claim, action or expense arising from or connected with any breach of the
warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any
information or document not available now, will give it to ASX before +quotation
of the +securities begins. We acknowledge that ASX is relying on the information
and documents. We warrant that they are (will be) true and complete.

E. P. R. -

Sign here: Date: 2 March 2016
(Company Secretary)

Print name: Chris Ritchie

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	36,705,669
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	118,862,429
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	155,568,098

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	23,335,215
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	23,335,215
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	23,335,215
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
Total [“A” x 0.15] – “C”	<p>23,335,215</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	155,568,098
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	15,556,810
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	15,556,810
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	15,556,810 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.