

MUSTANG RESOURCES LIMITED

ACN 090 074 785

PROSPECTUS

For the offer of up to 400 Shares at an issue price of \$0.25 per Share to raise approximately \$100 (before expenses).

This Prospectus has been prepared primarily for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares recently issued by the Company prior to this Prospectus.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Ian Daymond
Non-Executive Chairman

Christiaan Jordaan
Managing Director

Cobus van Wyk
Non-Executive Director

Andrew Law
Non-Executive Director

Frank Petruzzelli
Non-Executive Director

Company Secretary

Christopher Ritchie

Share Registry*

Advanced Share Registry Limited
110 Stirling Highway
Nedlands WA 6009

Auditor*

Grant Thornton Audit Pty Ltd
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ASX Code

MUS

Solicitors*

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
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Perth WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE

Lodgement of Prospectus with the ASIC and ASX	3 March 2016
Opening Date of Offer	4 March 2016
Closing Date of Offer*	4 March 2016

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

3. IMPORTANT NOTES

This Prospectus is dated 3 March 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Shares will be issued on the basis of this Prospectus after the expiry date.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.2 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

3.3 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representations not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

4. DETAILS OF THE OFFER

4.1 Company update

The Company was reinstated to trading on 10 June 2015 following the re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Since that time, the Company has been focussed on the exploration of its diamond and graphite projects in Mozambique and continuing to undertake the exploration programs to earn its interest in those projects.

In addition, the Company acquired 80% of the issued capital of Montepuez Minerals Pty Ltd on 26 February 2016, which holds the rights to earn majority interests in three ruby projects in the Montepuez area of Mozambique.

On 1 February 2016, the Company appointed Mr. Christiaan Jordaan as Managing Director to oversee the development of the projects and substantially improve the Company's investment status with the investment community and shareholders.

The growth in the Company since its reinstatement to trading has occurred quickly, and to continue to fund that growth, the Company has also announced on 23 November 2015 that it had secured funding of \$5.75 million, which funds will assist it to meet its obligations under the ruby acquisition, as well as enable the Company to continue with the development of its other projects in Mozambique. As at the date of this Prospectus discussions on additional funding continue, which discussions were delayed until the Company was able to obtain shareholder approvals to refresh its placing ability and raise additional capital. These approvals were obtained on 26 February 2016. The Company has, upon completion of the ruby project acquisition, satisfied all requirements and has issued a further 12,500,000 fully paid ordinary shares to Lanstead Capital LP at A\$0.20 per share to enable monthly drawdowns under Tranche B, in addition to Tranche A, under the equity funding facility with Lanstead Capital LP.

On 31 December 2015 the ASX rejected the Company's application for a waiver under Listing Rule 9.7 to cancel all the performance rights issued to vendors of the Save River Diamond Project and Balama Graphite Project in consideration for the issues of fully paid ordinary shares.

On 24 February 2016 the Company submitted an application for a waiver under Listing Rule 9.7 to cancel Class A to D as well as Classes F&G performance share rights for no consideration, leaving only Class E share performance rights outstanding (14,000,000 Mustang ordinary shares). As at the date of this Prospectus the ASX has not advised its decision.

4.2 Summary of the Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 400 Shares at an issue price of \$0.25 per Share payable in full on application, to raise up to \$100.

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

4.3 Minimum Subscription

There is no minimum subscription in respect of the Offer.

4.4 Application for Shares

Applications for Shares must only be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full by cheque made payable to "**Mustang Resources Limited**" and crossed "Not Negotiable" in respect of all Shares applied for at the issue price of \$0.25 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered in the manner specified on the Application Form so they are received no later than 5pm WST on the Closing Date.

4.5 Underwriter

The Offer is not underwritten.

4.6 ASX Listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.7 Issue of Shares

The issue of Shares offered under the Offer will take place as soon as practicable after the Closing Date.

4.8 Restrictions on the Distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus.

The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

4.9 Enquiries

Any questions concerning the Offer should be directed to Mr Christopher Ritchie, Company Secretary on +61 3 9347 2409.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$100 (before expenses) will be raised. All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 9.6 of this Prospectus for further details relating to the estimated expenses of the Offer.

5.2 Effect of the Offer

The effect of the Offer on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue	155,568,098
Shares offered pursuant to the Offer	400
Total Shares on issue after completion of the Offer	155,568,498

On 26 February 2016 the Company at a General Meeting approved the issue of fully paid ordinary shares to the vendors of Montepuez Minerals Pty Ltd; the issue of fully paid ordinary shares in regard to the acquisition of (the right to earn majority interests in) two additional graphite licences; the issue of fully paid ordinary shares in consideration of the vendors of the Balama Graphite project cancelling future cash performance payments; and the issue of fully paid ordinary shares in regard to Tranche B of the Lanstead Agreements. These shares totalling 47,845,556 at \$0.20 per share have been included in the above table.

Shareholders also approved the issue of up to 27,570,062 fully paid ordinary shares together with one free option for every three shares issued at \$0.20 per share to raise additional capital and enable the conversion of existing converting loans. Shares issued on the conversion of the converting loans plus accrued interest totalling 3,923,445 have been included in the above table.

Shareholders also approved the issue of up to 3,150,000 fully paid ordinary shares at \$0.20 per share. Shares will be issued in lieu of cash payments for commissions payable on the capital raising. No shares have been issued as at the date of this Prospectus under this approval.

Options

	Number
Options currently on issue:	
Unquoted Options exercisable at \$0.2412 on or before 10 November 2017	149,253
Unquoted Options exercisable at \$0.21 on or before 22 May 2017	2,238,806
Unquoted Options exercisable at \$0.20 on or before 31 October 2016	500,000
Unquoted Options exercisable at \$0.20 on or before 10 June 2017	1,500,000
Unquoted Options exercisable at \$0.25 on or before 30 June 2017	8,750,000
Quoted options exercisable at \$0.25 on or before 30 June 2017	26,067,828
Total Options on issue	38,205,887

On 10 November 2015 the Company issued an Entitlement Issue Prospectus for the offer of 1 option for every three shares held (at the Record Date of 25 November 2015 at an issue price of \$0.005 per option with an expiry date of 30 June 2017 and an exercise price of \$0.25. The Closing Date for the issue was 18 December 2015. If all the options under the Offer were issued then \$151,131 (before expenses) would have been raised. A total of up to 30,226,366 options could have been issued. As at the date of this Prospectus 24,970,013 have been granted. The shortfall may be placed by Directors within 3 months after the Closing date.

On 26 February 2016, the Company at a General Meeting approved the granting of 8,750,000 unquoted options to Lanstead Capital LP with an exercise price of \$0.25 and an expiry date of 30 June 2017. As at the date of this Prospectus 8,750,000 unquoted options have been granted.

Additional approval was obtained for the granting of up to 9,190,021 quoted options with an exercise price of \$0.25 and an expiry date of 30 June 2017 as part of the approval to raise additional capital. A total of 1,097,815 have been granted as at the date of this Prospectus.

Performance Share Rights

	Number
Performance Share Rights currently on issue:	
Unquoted Class A Performance Share Rights	2,238,806
Unquoted Class B Performance Share Rights	1,119,403
Unquoted Class C Performance Share Rights	2,238,806
Unquoted Class D Performance Share Rights	1,119,403
Unquoted Class E Performance Share Rights	14,000,000
Unquoted Class F Performance Share Rights	14,000,000
Unquoted Class G Performance Share Rights	14,000,000
Total Performance Rights on issue	48,716,418

A summary of the Performance Rights Vesting conditions are set out below:

Class	Existing Performance Rights Vesting conditions
A	On 1 July 2016, if the Company has successfully completed the Bulk Sampling program and generated gross proceeds of US\$5,000,000 from the direct mining of prospecting and exploration licence 4969L in the period 1 January 2015 to 30 June 2016 (inclusive of both dates).
B	Upon a US\$10,000,000 facility being provided to Save River Diamonds Pty Ltd on or before 30 June 2018.
C	On 1 July 2016, if the Company has successfully completed the Bulk Sampling program and generated gross proceeds of US\$2,500,000 from the direct mining of licence 4525L in the period from 1 January 2015 to 30 June 2016.
D	Upon a US\$2,500,000 facility being provided for the prospecting and exploration licences 4525L and 4969L on or before 30 June 2018.
E	Upon proving a JORC Compliant Inferred Graphite Resource of a minimum of 50 Million tonnes @ >5% Total Graphitic Content, on any of the Balama licences on or before 31 December 2019.
F	Upon proving a JORC Compliant Inferred & Indicated Graphite Resource of a minimum of 100 Million tonnes @ >5% Total Graphitic Content, on any of the Balama Licences on or before 31 December 2019.
G	Upon proving a JORC Compliant Inferred & Indicated Graphite Resource greater than 500 Million tonnes @ >5% Total Graphitic Content, on any of the Balama licences on or before 31 December 2019.
Class	Graphite Licences Acquisition Performance Rights Vesting conditions
A	Upon delineation of a JORC Compliant Inferred & Indicated Graphite Resource of a minimum of 50 million tons @ >10% TGC, on either of the two licences acquired
B	Upon delineation of a JORC Compliant Inferred & Indicated Graphite Resource of a minimum of 100 million tons @ >10% TGC, on either of the two licences acquired
C	Upon delineation of a JORC Compliant Inferred & Indicated Graphite Resource of a minimum of 500 million tons @ >10% TGC, on either of the two licences acquired.

5.3 Financial Effect of the Offer

After paying for the expenses of the Offer of approximately \$5,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$100) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$100 less expenses of the Offer of \$5,000.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

6.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose as they think fit.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as they think fit under which the whole or part of a dividend due to members who participate in the plan on their shares or any class of shares may be applied in subscribing for securities of the Company or of a related body corporate.

6.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any specific assets, cash, shares or other securities in a trustee on such trusts for the persons entitled to the property as may seem expedient to the liquidator.

6.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

6.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

6.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

6.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Risks associated with operating in Mozambique

The diamond and graphite projects acquired and the ruby project proposed to be acquired by the Company are located in Mozambique, which is considered to be a developing country and as such subject to emerging legal and political systems compared with the system in place in Australia. Investing and operating in foreign jurisdictions carry political, economic and other uncertainties, including, but not limited to, changes in mining and exploration policies or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual risk, foreign exchange restrictions, currency exchange rate fluctuation, royalty and tax increase and other risks arising out of foreign government sovereignty over the areas in which the Company's operations will be conducted. Any of these factors could result in conditions that delay or in fact prevent the Company from exploring or ultimately developing any of the foreign projects.

The Company is exposed to the risks of operating in such a jurisdiction, including, without limitation:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (ii) a higher degree of discretion held by various government officials or agencies;

- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and court in matters affecting the Company.

The commitment to local business people, government officials and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

No assurance can be given regarding future stability in these or any other country in which the Company may have an interest.

(b) Tenure and access for tenements in Mozambique

Mining and exploration tenements in Mozambique are subject to periodic renewal. Where a licensee has met the terms of the grant, renewal will not be denied. However, if development conditions are not met there is no guarantee that current or future tenements or future applications for production tenements will be approved.

(c) Environmental and other regulatory risks

Environmental legislation is evolving in a manner which will likely require stricter standard and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulations in Mozambique, if any, will not materially and adversely affect the Company's business, prospects, financial condition and results of operations.

Various governmental approvals and permits will also be required in connection with various aspects of the Company's operations from time to time. To the extent such approvals or permits are required and not obtained; the Company may be delayed or prevented from proceeding with planned exploration or development.

(d) Additional requirements for capital risk

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its operations and scale back its mining and exploration programmes as the case may be.

(e) Exploration and development risks

The business of graphite, diamond & ruby exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the existing projects or the new assets, undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(f) Competition risk

The Company will be participating in a highly competitive market, however there are few if any specific competitors who have a dominant market share and dictate the structure or practices in the market.

The fact that there are no dominant competitors makes market entry and penetration easier but not without the need to ensure that the Company can position and differentiate itself to gain market share. There is no certainty that the Company will be successful in this market.

(g) Reliance on key personnel and the need to attract qualified staff

The Company's success depends on the core competencies of its Directors and management team to operate in the resource and mining industry. The loss of one or more of these persons could adversely affect the growth prospects, operating results and financial performance of the Company.

There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis or retain its key management personnel.

7.3 General risks

(a) Additional requirements for capital

The Company will require further financing in addition to amounts recently raised. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration and development programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. The Company has initially addressed the immediate concern regarding its capital requirements by securing funding from Lanstead Capital, LP which was announced to ASX on 23 October 2015. A summary of those agreements is set out in Section 8.1 below. As at the date of this Prospectus the Company has received a total of \$403,732.64 from Tranche A of the Lanstead Capital, LP funding.

(b) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(c) **Commodity Price Risk**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the corporate overhead expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(d) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(e) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and exploration, development and mining activities of the Company. It is possible that the current systems of exploration, development and mine permitting in the USA may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(f) **Risk of international operations generally**

International sales and operations are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

(g) **Reliance on and availability of key personnel**

The Company is reliant on key personnel. Loss of such personnel may have a material adverse impact on the performance of the Company. Further, in order to undertake the Company's planned development activities, it may require additional financial, administrative, permitting and operational personnel. While the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

(h) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(i) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(j) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

7.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. MATERIAL CONTRACTS

On 23 November 2014, the Company announced that it had entered into an agreement with Lanstead Capital LP in regard to a \$5 million investment in the Company.

Under the terms of the share placement, Lanstead subscribed for a total of 12,500,000 ordinary shares in Tranche A upfront at \$0.20 per share.. Under Tranche B (whose conditions have been satisfied or waived) the Company has issued a further 12,500,000 fully paid ordinary shares at \$0.20 per share upfront to Lanstead.

Lanstead Capital LP, has waived the condition precedent of the Company having to raise an additional \$1.5 million prior to Tranche B being activated. Additionally, the Tranche B closing date has been extended to 5 March 2016 from 29 January 2016 without payment of a \$50,000 extension fee.

The Sharing Agreement with Lanstead provides that 75% of the shares issued in Tranches A and B will be invested and the Company will receive 18 monthly cash settlements whereby the Company's economic interest will be determined by Mustang's share price performance and payable in monthly settlements as measured against a benchmark price of \$0.2667 per share. On 27 November the Company received \$375,000 and as at the date of this Prospectus the Company in total has received \$403,732.64 from Tranche A.

In Tranche B, the Company receives \$375,000 from the aggregate \$2,500,000 subscription upfront and the remainder will be invested on the terms of the Sharing Agreement. As at the date of this Prospectus the Company expects to receive the initial \$375,000 under Tranche B within seven days.

If the share price exceeds the benchmark price for that month the Company will receive more than 100% of the monthly settlement due on a pro rata basis. Importantly, there is no upper limit placed on the additional funds receivable by the Company as part of the monthly settlements therefore giving the Company the opportunity to reduce the overall cost of capital and realising more funds as it meets key operational milestones on its projects over the next 18 months, as illustrated in the table below:

Date:	Price:	Monthly Release (Assuming BMP):	Percentage of Benchmark:	Additional Monthly Cash:	Monthly Total:	Total Investment:	Shares Issued:
Jan-16	\$ 0.200	\$ 236,111	75%	\$ (69,444)	\$ 166,667	\$ 3,750,000	25,000,000
Feb-16	\$ 0.240	\$ 236,111	90%	\$ (27,778)	\$ 208,333	\$ 4,500,000	25,000,000
Mar-16	\$ 0.265	\$ 236,111	99%	\$ (1,736)	\$ 234,375	\$ 4,968,750	25,000,000
Apr-16	\$ 0.300	\$ 236,111	113%	\$ 34,722	\$ 270,833	\$ 5,625,000	25,000,000
May-16	\$ 0.400	\$ 236,111	150%	\$ 138,889	\$ 375,000	\$ 7,500,000	25,000,000
Jun-16	\$ 0.420	\$ 236,111	158%	\$ 159,722	\$ 395,833	\$ 7,875,000	25,000,000
Jul-16	\$ 0.420	\$ 236,111	158%	\$ 159,722	\$ 395,833	\$ 7,875,000	25,000,000
Aug-16	\$ 0.470	\$ 236,111	176%	\$ 211,806	\$ 447,917	\$ 8,812,500	25,000,000
Sep-16	\$ 0.510	\$ 236,111	191%	\$ 253,472	\$ 489,583	\$ 9,562,500	25,000,000
Oct-16	\$ 0.540	\$ 236,111	203%	\$ 284,722	\$ 520,833	\$ 10,125,000	25,000,000
Nov-16	\$ 0.550	\$ 236,111	206%	\$ 295,139	\$ 531,250	\$ 10,312,500	25,000,000
Dec-16	\$ 0.550	\$ 236,111	206%	\$ 295,139	\$ 531,250	\$ 10,312,500	25,000,000
Jan-17	\$ 0.550	\$ 236,111	206%	\$ 295,139	\$ 531,250	\$ 10,312,500	25,000,000
Dec-16	\$ 0.600	\$ 236,111	225%	\$ 347,222	\$ 583,333	\$ 11,250,000	25,000,000
Jan-17	\$ 0.620	\$ 236,111	233%	\$ 368,056	\$ 604,167	\$ 11,625,000	25,000,000
Feb-17	\$ 0.610	\$ 236,111	229%	\$ 357,639	\$ 593,750	\$ 11,437,500	25,000,000
Mar-17	\$ 0.720	\$ 236,111	270%	\$ 472,222	\$ 708,333	\$ 13,500,000	25,000,000
Apr-17	\$ 0.750	\$ 236,111	281%	\$ 503,472	\$ 739,583	\$ 14,062,500	25,000,000

Should the share price be below the benchmark price for that month the Company will receive less than 100% of the expected monthly settlement on a pro rata basis. The first monthly payment of Tranche A received under this agreement was less than the standard monthly release figure due to the decrease in the Company's share price. The Company received \$28,733 compared with the forecast payment of \$118,056 at \$0.20 per share.

In no event would a decline in the Company's share price result in any increase in the number of ordinary shares received by Lanstead or any other advantage accruing to Lanstead. The Company has agreed to pay a fee to Lanstead solely in the form of 1,250,000 ordinary shares in consideration for the Sharing Agreement and for Lanstead's ongoing promotional and marketing support.

Attached to the Lanstead share placement are 8.75 million listed options with a strike price of \$0.25 and an expiry date of 30 June 2017, being on the same terms as the current share option entitlement issue to shareholders, except that no amount is payable on issue of the share options.

As part of the transaction with Lanstead, the Company has agreed to transfer to Lanstead, as a long term cornerstone investor, a 5% equity interest in Montepuez Minerals Pty Ltd (MM) the private Australian company which holds the rights to acquire 70% in 2 ruby licences and up to 80% in the third ruby licence comprising the Montepuez Ruby Project.

As already announced, Mustang has agreed to acquire 80% of the issued capital of MM, so the 5% interest to be granted to Lanstead will reduce Mustang's interest in MM from 80% to 75% and therefore the maximum net interests to be earned in 2 of the 3 licences from 56% to 52.5% and from 64% to 60% in the case of the third licence. The transfer of shares in MM to Lanstead was subject to completion of the ruby project acquisition, which was conditional upon shareholder approval at an EGM of the Company held in February 2016. Shareholder approval for the ruby project acquisition was granted at the 26 February 2016 EGM. As at the date of this Prospectus the issue of the shares in Montepuez Minerals Pty Ltd has not been issued, but the Company expects to complete this process within 7 days.

9. ADDITIONAL INFORMATION

9.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
2/3/2016	Appendix 3B – Issue of Shares and Options approved at EGM
26/02/2016	Results of Meeting
25/02/2016	Prospective Geology Identified at Montepuez
16/02/2016	Exceptional High Grade Graphite Intersections Confirmed
10/02/2016	Ruby project Overview – s708 Investors
29/01/2016	Quarterly Cash Flow Report
29/01/2016	Quarterly Activities Report
27/01/2016	Notice of General Meeting / Proxy Form
31/12/2015	Listing Rule 9.7 Waiver Application Rejected
24/12/2015	Letter to Shareholders (Option Entitlement Issue Take up)
11/12/2015	Assets Acquisition Purchase Consideration Reduced
10/12/2015	Mustang Strengthens Leadership Team
7/12/2015	Change in substantial holder – van Wyk
3/12/2015	Change in substantial holder – Petruzzelli
2/12/2015	Becoming a substantial holder
1/12/2015	Massive Shallow Graphite Zones Identified at Balama Project
27/11/2015	Retraction of Non JORC Compliant Statements
26/11/2015	Cleansing Prospectus
25/11/2015	Amended Appendix 3B
23/11/2015	Appendix 3B
23/11/2015	Mustang Raises \$5.75M to Fast Track Growth
20/11/2015	Results of Annual General Meeting
20/11/2015	AGM Presentation to Shareholders
19/11/2015	Trading Halt
11/11/2015	Letter to Option Holders
11/11/2015	Letter to Overseas Shareholders
11/11/2015	Letter to Eligible Shareholders
10/11/2015	Appendix 3B – Option Prospectus

Date	Description of Announcement
10/11/2015	Entitlement Issue Prospectus – Options
9/11/2015	Significant Graphite Intersections Recorded at Balama Project.
30/11/2015	Withdrawal of Entitlement Prospectus
30/10/2015	Entitlement Options Prospectus
30/10/2015	Quarterly Activities & Cash Flow Reports
29/10/2015	Appendix 4G and Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.mustangresources.com.au

9.2 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.21	1 December 2015
Lowest	\$0.081	25 January 2016
Last	\$0.095	2 March 2016

9.3 Substantial Shareholders

Based on the company shareholder register as at 1 March 2016, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Lanstead Capital, LP	26,250,000	16.87%
Mr Cobus van Wyk	23,374,028	15.02%
Mr Frank Petruzzelli	23,124,802	14.86%
Mr Thomas Booth	18,625,517	11.97%

9.4 Interests of Directors

Security Holdings

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Offer.

Directors' relevant interests in securities of the Company at the date of this Prospectus are as set out below:

Director	Shares	Options	Performance Rights
Ian Daymond	100,000	33,333	Nil
Christiaan Jordaan	5,843,507	Nil	5,145,000
Andrew Law	Nil	Nil	Nil
Cobus van Wyk ¹	17,350,521	Nil	15,435,000
Frank Petruzzelli ²	23,124,802	5,403,867	16,216,792

- 1. Mr van Wyk's holding is due to his association with Regius Resources Group Ltd, as the controlling shareholder of Regius Resources Group Ltd.
- 2. Mr Petruzzelli's holding is due to his association with Elba Investments Pty Ltd.
- 3. Mr Jordaan's holding is due to his association with Regius Resources Group Ltd

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors:

Director	FY 2016	FY 2015	FY 2014
Ian Daymond	\$65,700	\$80,700 ²	Nil
Christiaan Jordaan	\$125,925	Nil	Nil
Andrew Law	\$192,914	\$51,635	Nil
Cobus van Wyk ¹	\$200,000	\$164,059	Nil
Frank Petruzzelli ³	\$120,000	Nil	Nil

Notes:

1. Mr Cobus van Wyk was appointed on 10 June 2015.
2. Daymond & Associates Pty Ltd, an entity associated with Mr Ian Daymond was paid \$15,000 (excluding GST) consulting fee during the 2015 financial year in regard to the Company's relisting.
3. Mr Petruzzelli is entitled to \$45,000 per annum as a non-executive director. In addition the Company expects to pay MDB Taxation & Business Services Pty Ltd (of which Mr Petruzzelli is a Principal) consulting fees of \$75,000 in the 2016 financial year.

9.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(a) the formation or promotion of the Company; or

(b) the Offer.

9.6 Estimated Expenses of Offer

The estimated expenses of the Offer are estimated to be approximately \$5,000 (excluding GST) and are expected to comprise printing and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

9.7 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 3 9347 2409 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.mustangresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.8 Clearing House Electronic Sub-Register System ("CHESS") and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.9 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

9.10 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

10. DIRECTORS' CONSENT

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink that reads "Frank Petruzzelli". The signature is written in a cursive, flowing style.

**Mr Frank Petruzzelli
Director
For and on behalf of
MUSTANG RESOURCES LIMITED**

11. DEFINITIONS

Applicant means an investor that applies for Shares under the Offer using an Application Form pursuant to this Prospectus.

Application Form means the Application Form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means closing date for receipt of an Application Form as set out in Section 2 (unless extended or closed early).

Company means Mustang Resources Limited (ACN 090 074 785).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Offer means the offer of Shares referred to in the "Details of the Offer" section of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date for receipt of an Application Form under this Prospectus as set out in Section 2.

Option means an option to acquire a Share.

Prospectus means this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Share Registry means Advanced Share Registry Limited.

WST means Western Standard Time as observed in Perth, Western Australia.