

30 March 2016

Mr Chris Bailey
ASX Limited
Level 40
Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

By E Mail: chris.bailey@asx.com.au
elizabeth.harris@asx.com.au

Dear Chris

Appendix 3X & 3Y - Directors Interests

We refer to your correspondence dated 29 March 2016 regarding the ASX's concerns with the Change of Director's Interest Notice ("Appendix 3X & 3Y") for the Directors lodged on the 18 March 2016.

Having regard to Listing Rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities" Mustang Resources Limited ("**Mustang**" or the "**Company**") responds to the questions raised by the ASX as follows:

1. The Appendix 3X & 3Y were lodged later than the timeframe set out in listing rule 3.19A due to an administrative oversight by the previous Company Secretary.

The previous Company Secretary was dealing with a number of matters simultaneously in relation to the acquisition of ruby and graphite assets including an EGM on the 26th of February 2016 as well as the completion and lodgment of the Company's half year accounts for the period ending 31 December 2015.

The Company's shareholders have subsequently approved the various transactions. Implementation of the transactions was coupled with a significant amount of documentation, consultation with the Company directors and consultation with the Company lawyers across two jurisdictions.

As part of the transaction process various shares were issued and directors appointed and unfortunately during this period of significant changes an administrative oversight occurred in that the previous Company Secretary did not lodge the Appendix 3X & 3Y within the required timeframe.

2. The Company has in place four (4) arrangements with its Directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A. The four (4) arrangements may be best described as:
 - (i) Reliance upon the Directors to advise the Company of any transactions impacting the Securities they hold in the Company;
 - (ii) Periodic reconciliation by the Company of the holdings per the last lodged Appendix 3B & 3Y and the holdings per the Share Registry;

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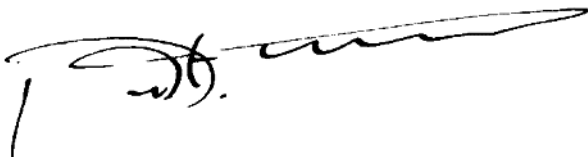
- (iii) Documenting a procedure that following closure of an Issue of securities, the Company communicates with the Directors to see if they have participated in or involved in the offering (which was the case here); and
 - (iv) Forwarding to the Directors a form requesting them to advise of all their Associated Entities. The office of the Company Secretary can then make itself familiar with the Entities associated with the Directors.
3. The additional steps that the Company has taken to comply with listing rule 3.19B are as follows:
- (i) The Board of Mustang Resources Limited generally meets on a monthly basis. The Agenda for the Board Meetings includes a standing item called "Changes of Director's Interests".

Each Director is required to verbally table whether during the month they undertook any share transactions, which impacts their holding directly or indirectly. If Directors are absent from the Meeting written confirmation is sought.
 - (ii) The Company currently waits for Director confirmation as to their satisfaction of the form and content of an Appendix 3X or 3Y before ASX lodgement but the Company acknowledges that situations will arise whereby it is not always possible to receive confirmation directly from a Director.

In order to ensure continued compliance with listing rule 3.19B when these circumstances arise, the Company will take the responsibility of lodging the Appendix 3X & 3Y within the required timeframe even though approval from the Director has not been received.

Please contact our office should there be any further queries with this matter.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Robert Marusco', with a long horizontal flourish extending to the right.

Robert Marusco
Company Secretary



29 March 2016

Mr Robert Marusco
Company Secretary
Mustang Resources Limited
566 Elizabeth Street
Melbourne VIC 3000

By Email

Dear Mr Marusco

Mustang Resources Limited (the "Company")

I refer to the following:

1. The Company's announcements lodged with ASX Limited ("ASX") regarding:
 - 1.1. the initial director's interest notice for Mr Christiaan Jordaan lodged on 18 March 2016 ("Appendix 3X"); and
 - 1.2. the change of directors interest notices for each of Christiaan Jordaan, Frank Petruzzelli, and Cobus van Wyk lodged on 29 March 2016 ("Appendices 3Y").
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:*
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.

The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases*

to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

As the Appendix 3X indicates that Mr Pettruzelli was appointed as a director on 1 February 2016, therefore the Appendix 3X should have been lodged with the ASX by 8 February 2016. Further, as the Appendices 3Y indicate a change in the notifiable interest of each of Messrs Jordaan, Pettruzelli, and van Wyk occurred on 2 March 2016, the Appendices 3Y should have been lodged with the ASX by 9 March 2016. As the Appendix 3X was lodged on 18 March 2016 and the Appendices 3Y were lodged on 29 March 2016, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Appendix 3X and the Appendices 3Y were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to Chris.Bailey@asx.com.au. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than **3:00 pm WST on Thursday 31 March 2016**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Chris Bailey
Graduate, Listings Compliance (Perth)