



# Ruby Market Analysis & Opportunity

# Girls Have A New Best Friend...





# Rubies Are Attracting Record Auction Results



The 'Graff' Ruby

**Carats:** 8.62  
**Sale Price:** US\$8,372,094



The 'Sunrise' Ruby

**Carats:** 25.59  
**Sale Price:** US\$30,420,000



Mogok Burmese  
Ruby

**Carats:** 29.62  
**Sale Price:** US\$8,990,000



Gemfields Mozambique  
Discovery

**Carats:** 40  
**Sale Price:** Undisclosed

# Market Dynamics & Opportunity

- Ruby market is estimated at US\$2 billion in \$US5 billion per annum coloured gem market<sup>1</sup> – most expensive coloured gemstone
- Huge upside considering this was the value of the global diamond market in the 1950's
- Previous supply from Burma (Myanmar), Tanzania and Madagascar unreliable and fragmented
- Mozambique regarded as the world's most reliable and stable supplier of rubies
- Ruby market in desperate need for consistent, transparent and ethically sourced product in the near term
- Mustang Resources will be central in this process



*The 'Sunrise' Ruby – recently sold for US\$30m*

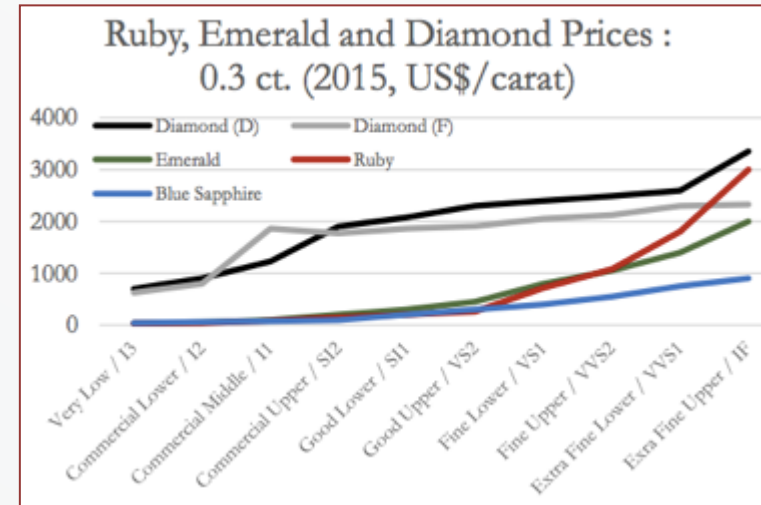


*Sotheby's auction of the 'Sunrise' Ruby, June 2015*

<sup>1</sup> MVI Marketing

# Ruby Demand & Pricing

- Ruby prices have increased steadily over the past six years
- Due to increased & consistent supply from Montepuez, Mozambique
- Demand for product mainly from the United States, followed by Asia, Europe and India
- Impact of China on gemstone and luxury goods market cannot be underestimated
- China currently the world's second largest jewellery consumer
- As discretionary income grows in China, so will domestic consumption of luxury goods such as jewellery
- Commonly recognised that one of the biggest challenges facing the Chinese coloured gem industry and domestic consumption is sourcing rubies
- Premium Mozambique rubies sold for US\$700/ct average



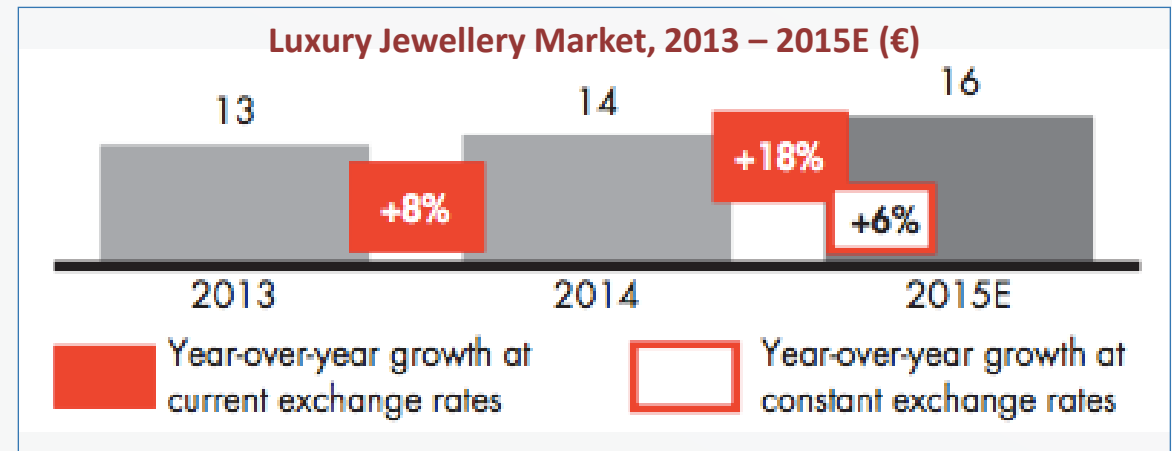
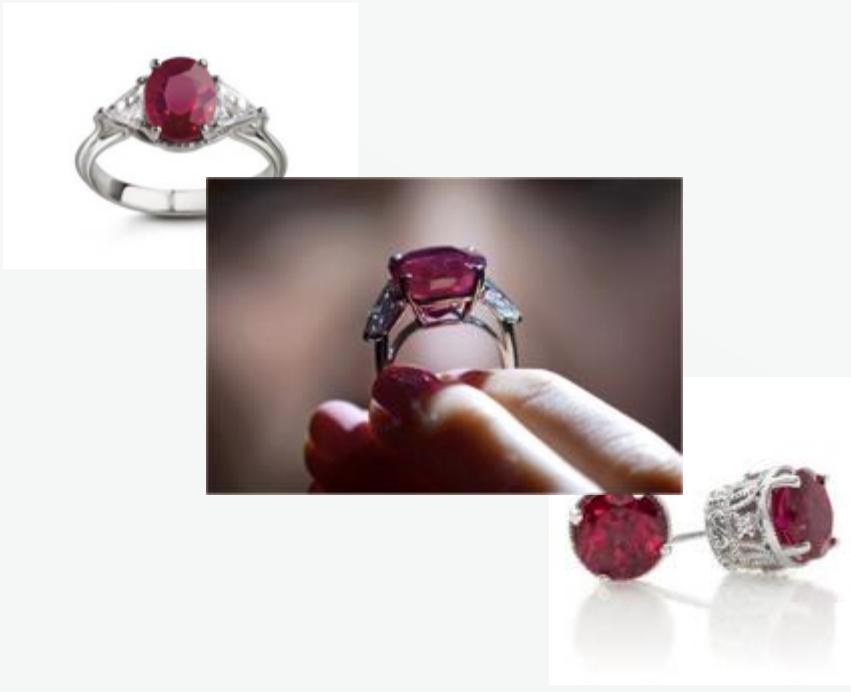
Source: GemWorld International Inc and Gemfields PLC information



Christie's Ruby Auction – June 2015

# Consumer Demand for Luxury Brand Jewellery Outperforms

- Luxury branded jewellery continues to outperform the overall luxury goods category
- Strong performance generated from *Absolute* and high-ticket items
- Jewels remain among top preferred investments due to intrinsic value of raw materials
- For new store openings, Asian retailers rebalance product offering toward more jewellery than watches
- Personal luxury goods ballooned to over €250 billion in 2015, luxury jewelry only 6% of that, showing significant room for growth<sup>1</sup>

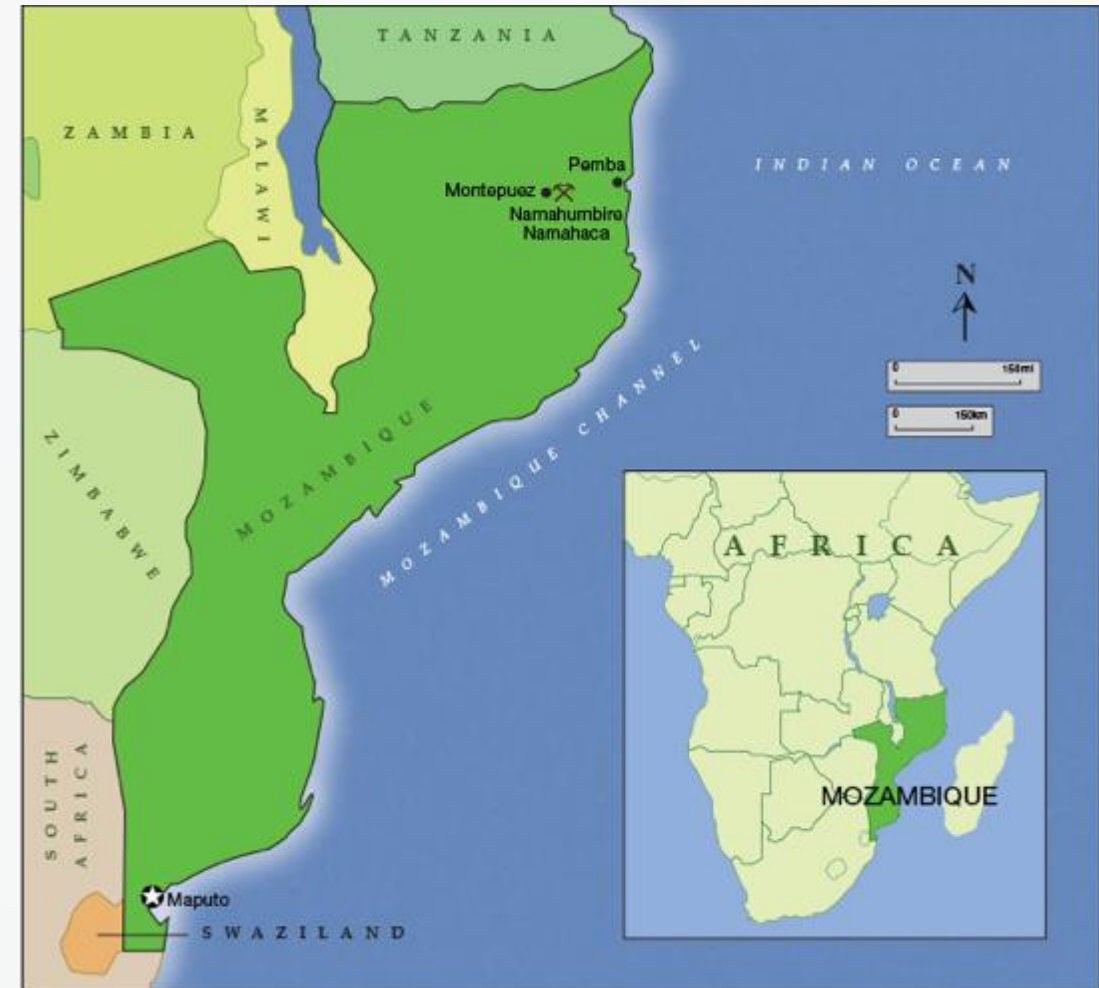


**Source:** *Luxury Good Worldwide Market Study, Fall – Winter 2015 - Bain & Company*

<sup>1</sup> *Luxury Good Worldwide Market Study, Fall – Winter 2015 - Bain & Company*

# Why Mozambique?

- Mozambique will likely control ~70% plus of the ruby market in the foreseeable future
- Holds the world's largest known ruby deposit - the Montepuez Complex
- Excellent infrastructure to support mining operations (Oil & Gas sector + graphite mines adjacent)
- 2009 discovery means limited organised mining & exploration has been undertaken to date
- Mozambique provides relative stability when compared to other supply regions





# Why Mozambique?

- The size and grade of the deposit is consistent with widespread mineralisation throughout the region
- The Gemfields deposit shows high grades of 300ct/ton in primary and 7ct/ton+ in alluvial
- Significant quality distribution, Mozambique rubies vary over all grades, making sales applicable to a broad cross section of the market
- Top Mozambique rubies are far superior to most other current sources in Tanzania, Madagascar & Greenland & comparable to "Pigeon-blood" rubies from Burma



*Rubies from the Montepuez Region, not MUS property*



# Mustang is Becoming Part of the Industry Solution

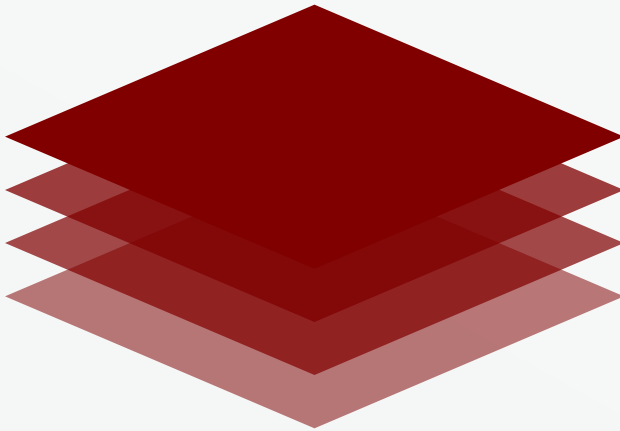


- Mustang Resources (ASX:MUS) holds rights in three highly prospective licences, covering 15,800 hectares in Montepuez
- Licences are located adjacent to Gemfields PLC (market capitalisation: A\$460million)
- Gemfields discovered the world's largest ruby deposit in Mozambique
- Gemfields realised US\$150.8 million in 5 auctions for 5.98m carats of 18.8m carats mined during bulk sampling 2012 – 2016
- MUS has identified high priority targets with similar features to Gemfields' deposit 8km South East
- Exploration work program on Mustang's Project is underway with trial mining planned for June 2016 start-up

# For Further Information



**Managing Director – Christiaan Jordaan**

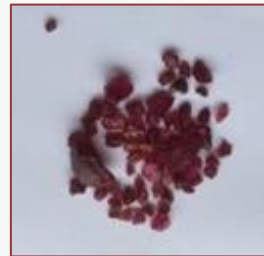


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