



Mustang Resources Limited (ASX. MUS)

Focused on developing the
Montepuez Ruby Project, Mozambique

INVESTOR PRESENTATION
JULY 2016

Delivering Value to Shareholders



MUSTANG RESOURCES LTD	
ASX Code	MUS
Shares on Issue	289,263,030
Share Price (as at 30 June 2016)	\$0.04
Market Capitalisation	\$11.95million
Current Cash (Unaudited, 30 June 2016)	\$2.79million
EV	\$9.16million



Sunrise Ruby, Rare Burmese Ruby. Source: www.abc.net.au web article, photo: Justin Tallis AFP.



Investment Highlights



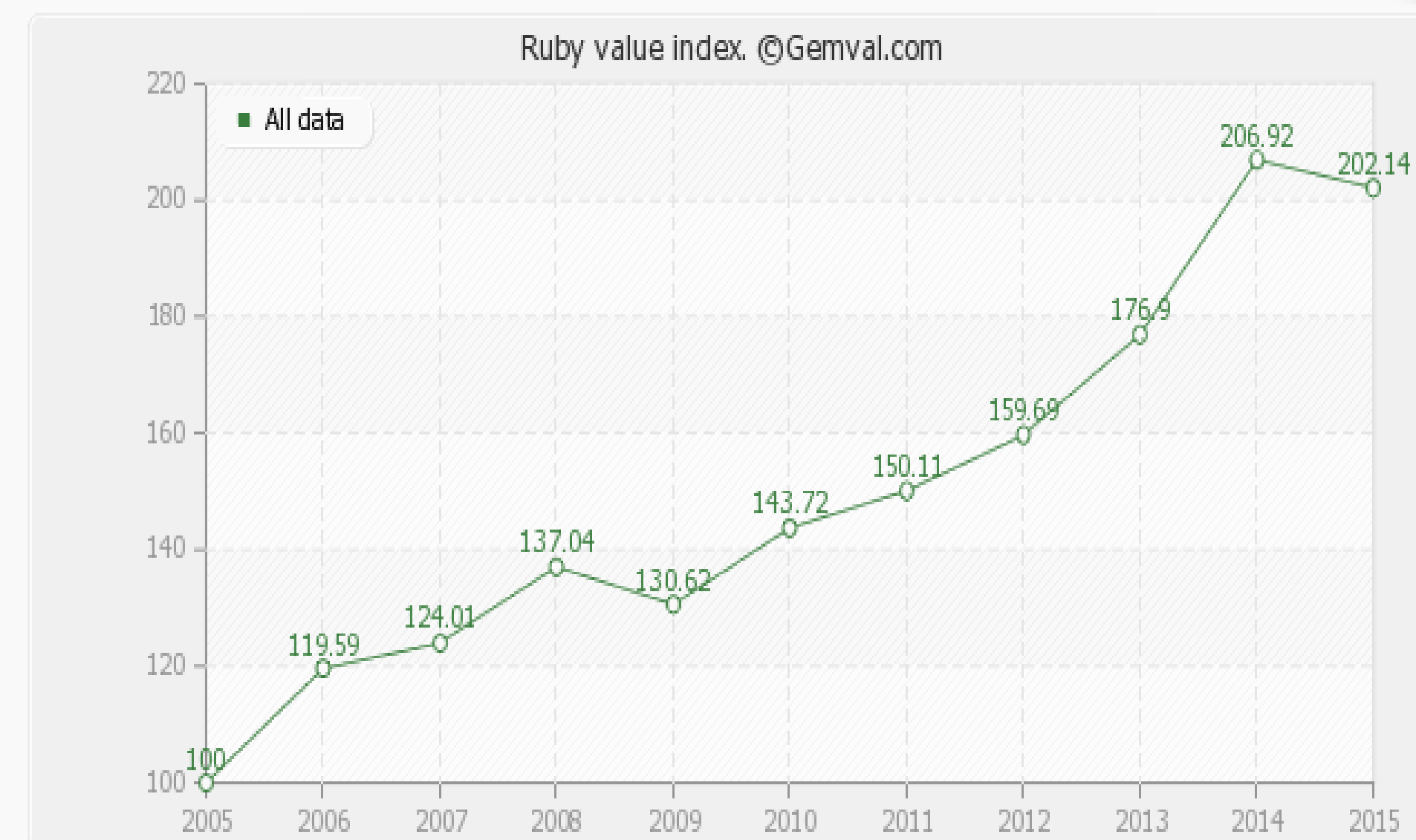
- Focused on becoming a **near-term gemstone producer** through fast-tracked development of the Montepuez Ruby Project
- Montepuez Ruby Project is located in a world-class ruby province, adjacent to world's largest ruby deposit, held by Gemfields PLC
- 52.5% to 60% Interest in three highly prospective ruby licences covering 158 km²
- Mustang's February 2016 field work program confirmed the presence of highly prospective geology:
 - **5.3km structural lineament associated with ruby mineralisation transects the Montepuez Ruby Project**
- Bulk Sampling planned during H2 2016 to confirm presence of ruby mineralisation at the Montepuez Ruby Project
- Very strong ruby market growth with Mustang perfectly positioned to become a major ruby supplier in near term
- MUS also committed to developing its high quality graphite portfolio in Mozambique, along trend from **Syrah Resources (ASX. SYR)** and **Metals of Africa (ASX. MTA)** deposits; targeting maiden JORC Resource in H2 2016 (60% to 95% interest in eight licenses)



Global Ruby Market Overview

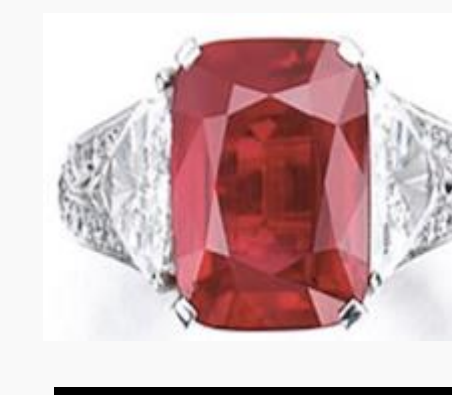


- Before the rise of the Montepuez region in Mozambique, supply was highly fragmented and unreliable (Myanmar, Afghanistan, Madagascar)
- Global ruby market size estimated at US\$2billion p.a (2014) – total coloured gemstones at US\$8.3 billion p.a (2015)
- Rubies are the most expensive gemstone after diamonds - with fine rubies +5cts extremely rare
- Strong demand from US, Europe, India, Thailand and China
- Consumer demand has caused prices of rubies to increase 63% over past 8 years
- 25.59cts 'Sunrise' ruby ring sold for US\$30million in June 2015 at Sotheby's Geneva auction
- Mozambique alluvial rubies selling for over US\$680 per carat with quality that matches Burmese 'Pigeon-Blood' rubies
- Six Gemfields Mozambique ruby auctions held since June 2014 have generated USD 195.1 million
- The Montepuez region in Mozambique is strongly positioned to play a significant role in the growth of the global ruby market over the coming years



The 'Graff' Ruby

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



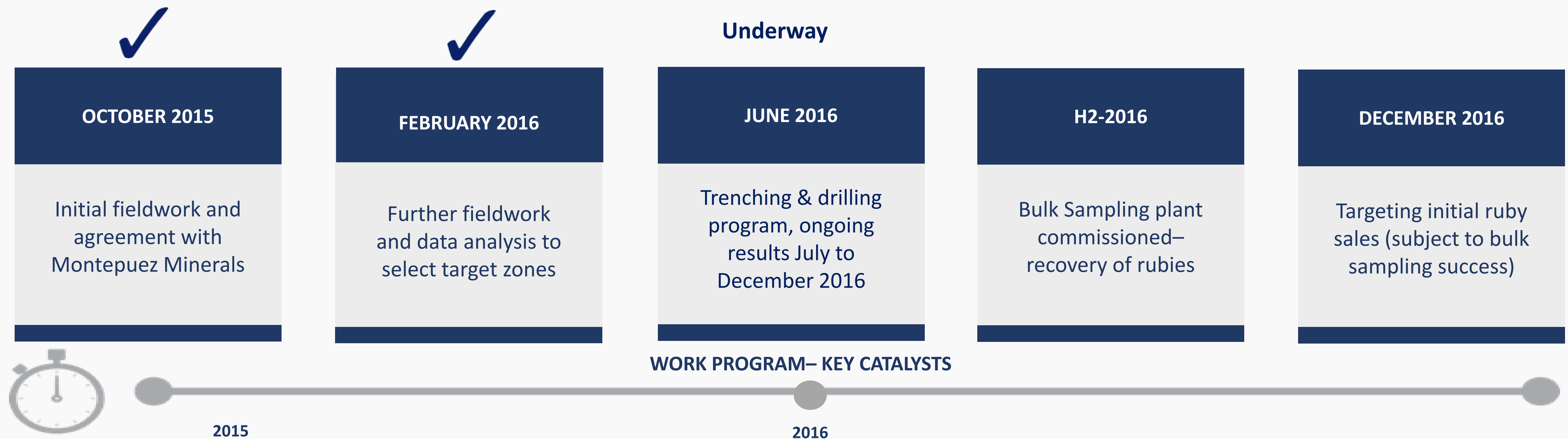
The 'Sunrise' Ruby

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

Montepuez Ruby Project Work Program



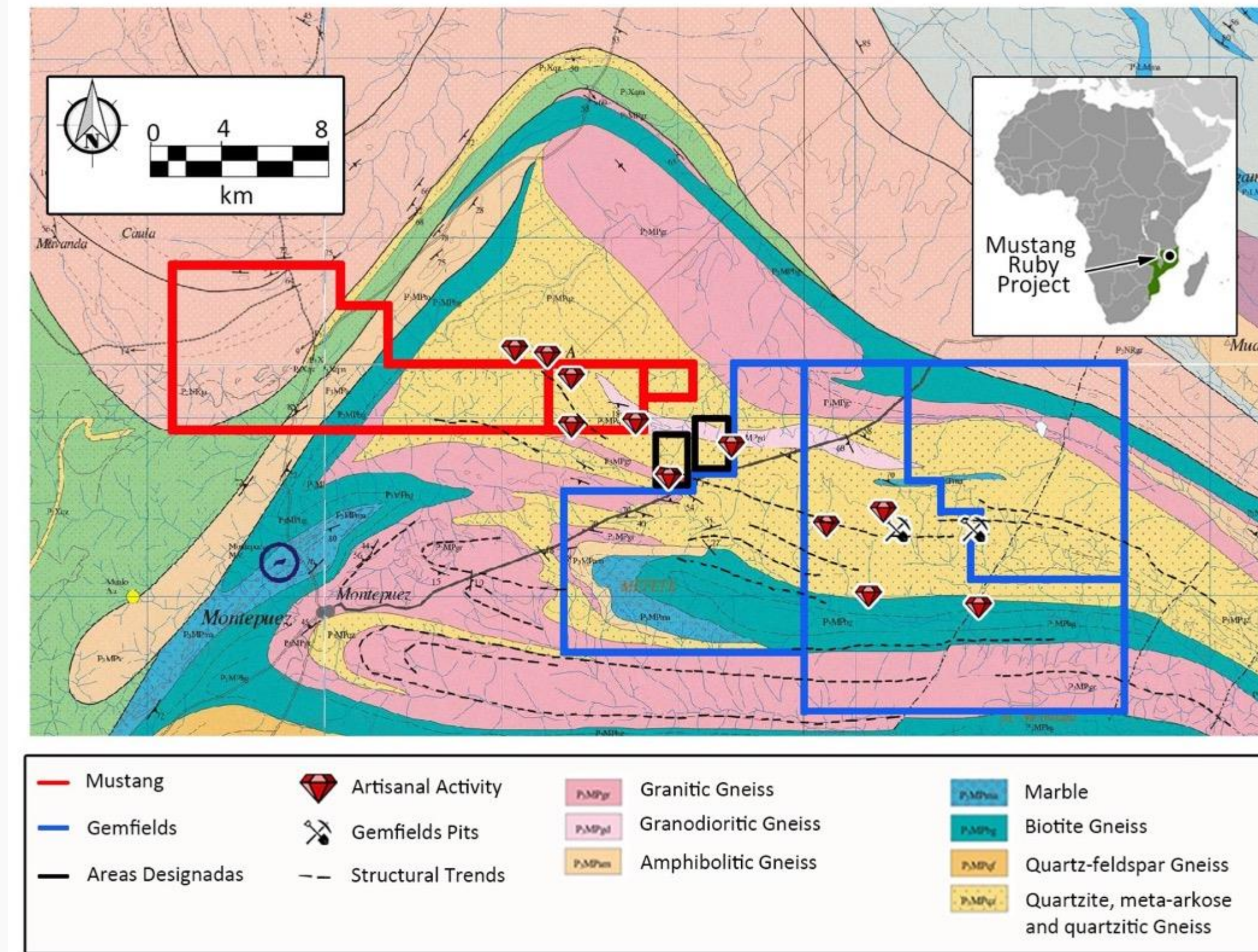
- Field work and data analysis has identified priority targets for commencement of bulk sampling in H2 2016
- Field mapping work is ongoing to increase understanding of geology
- Systematic trenching and drilling started over priority targets – goal of selecting best bulk sampling targets
- Bulk Sampling = Low-CAPEX strategy using mostly existing equipment and local mining contracting/wet lease
- Make use of up to two, 16 foot rotary pans with processing capacity of up to 2,400 tons per day
- Trenching and drilling program underway; bulk sampling to commence H2-2016



Poised to Replicate Success of Gemfields PLC



- Gemfields PLC listed on AIM (GEM:LSE) with current market cap of ~A\$352 million
- 75% interest in main license (350sqkm) acquired for ~US\$2.5 million in cash in 2012
- US\$195.1 million of ruby sales in 6 auctions to June 2016; all during exploration period
- **February 2012:**
 - Started bulk sampling and exploration of Montepuez Ruby Project, GEM valued at circa £192 million
- **June 2014:**
 - Invested US\$55 million
 - First ruby auction netted US\$33.5million
- **July 2015:**
 - JORC Compliant Resource of 467mcts @ 62.3cts/ton average grade; 312% IRR and US\$996 million NPV (post tax)
 - 21 year mine life; US\$305million LOM CAPEX, 300ton/hour processing plant
- **Financials (July 2015 – December 2015):**
 - Dec 2015 ruby auction netted US\$28.8 million for 90,642cts
 - Average US\$ sales price per carat (alluvial rubies; med-high quality)= US\$317.92
 - 2.1million cts produced @ cash cost per carat of US\$6.19
 - Processed average 1,000 ton/day (144,500 H2 total, assumes 24 operational days per month)
- **Q1 2016:**
 - Currently ramping up to full-scale mining following maiden JORC Resource



Montepuez Ruby Project Geology

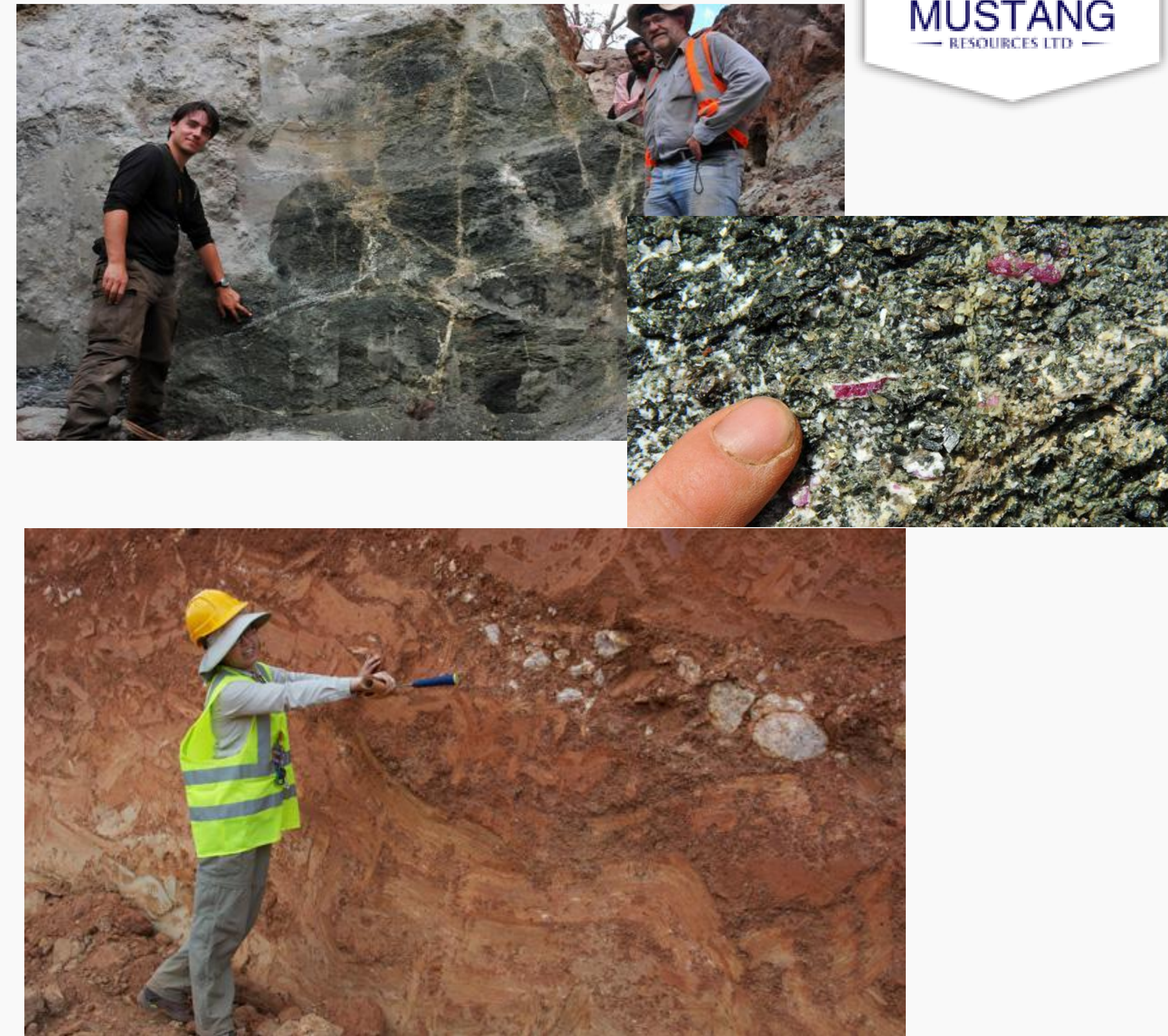


"No other geographical region has successfully competed with Mozambique rubies with regard to quality and size"

Dr. Adolf Peretti, GRS-Gemtesting Laboratories, A Review of Beauty and Rarity of Mozambique Ruby

- **Located within the Montepuez Complex** which is part of the Mozambique Belt – a unique geological occurrence
- **Extensive ruby mineralisation** is present immediately **to the SE** of the Mustang licences close to the village of Namahaka
- Mustang licences lie along the **established NW-SE ruby mineralisation trend** which also transects the Gemfields licences
- **Primary ruby mineralisation in the amphibolite** which is considered to have supplied the source of chromium responsible for the rubies' red colourisation
- **Primary mineralisation in the Montepuez area grades up to 300ct/ton***
- **Secondary ruby deposits;** initial deposition within one or more **major flooding events** + redistribution of the rubies by alluvial processes (e.g. braided river system)
- **The average gem quality of the secondary rubies is typically much higher than those contained within the primary amphibolite**
- **Secondary mineralisation grades: 7 - 22ct/ton ***

**In Gemfields concession area/project. Source: SRK Report, June 2015*



(Primary & Secondary Ruby Mineralisation in MRM License area. Photos courtesy of Vincent Pardieu, GIA)

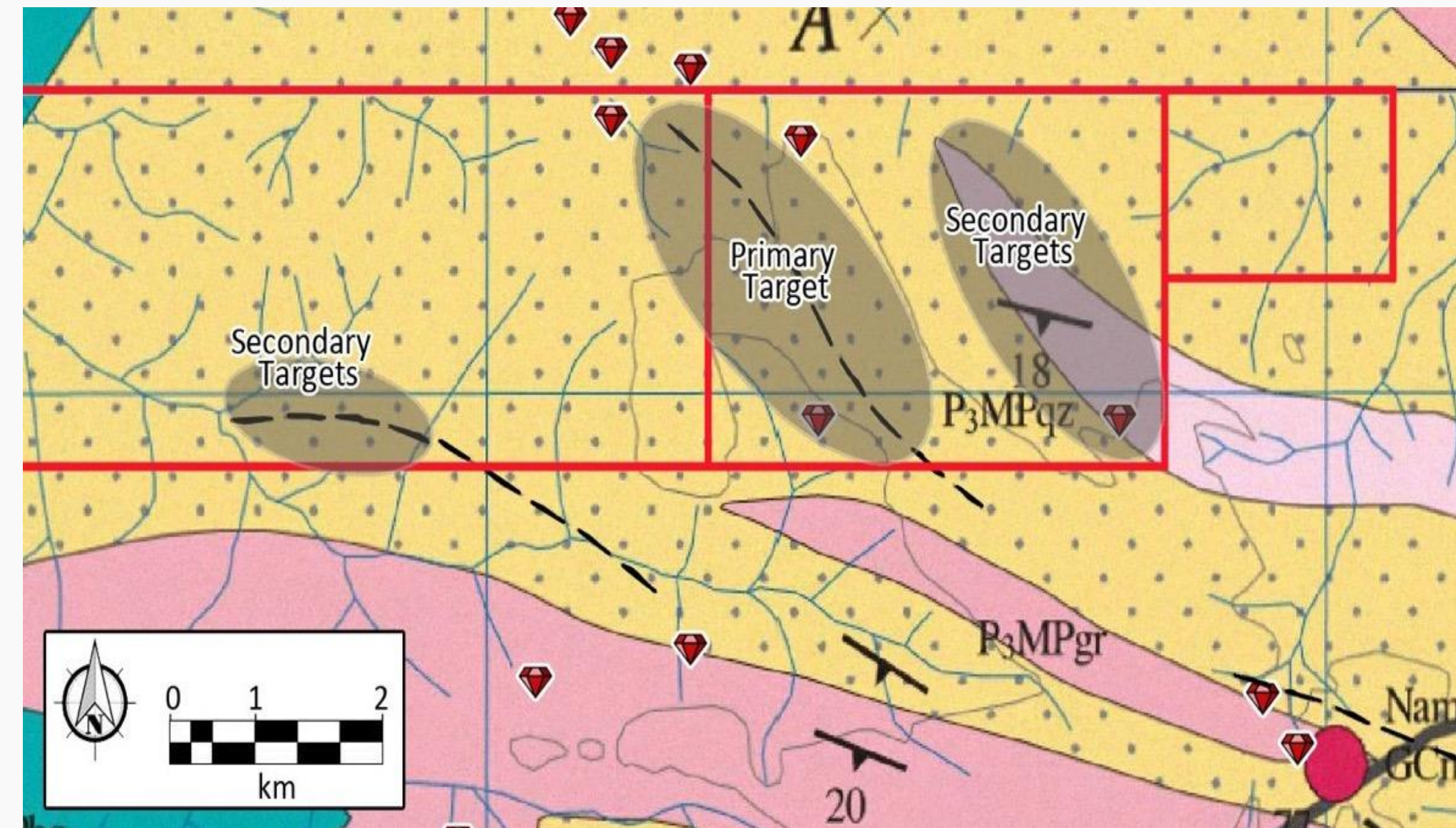
Montepuez High Priority Targets



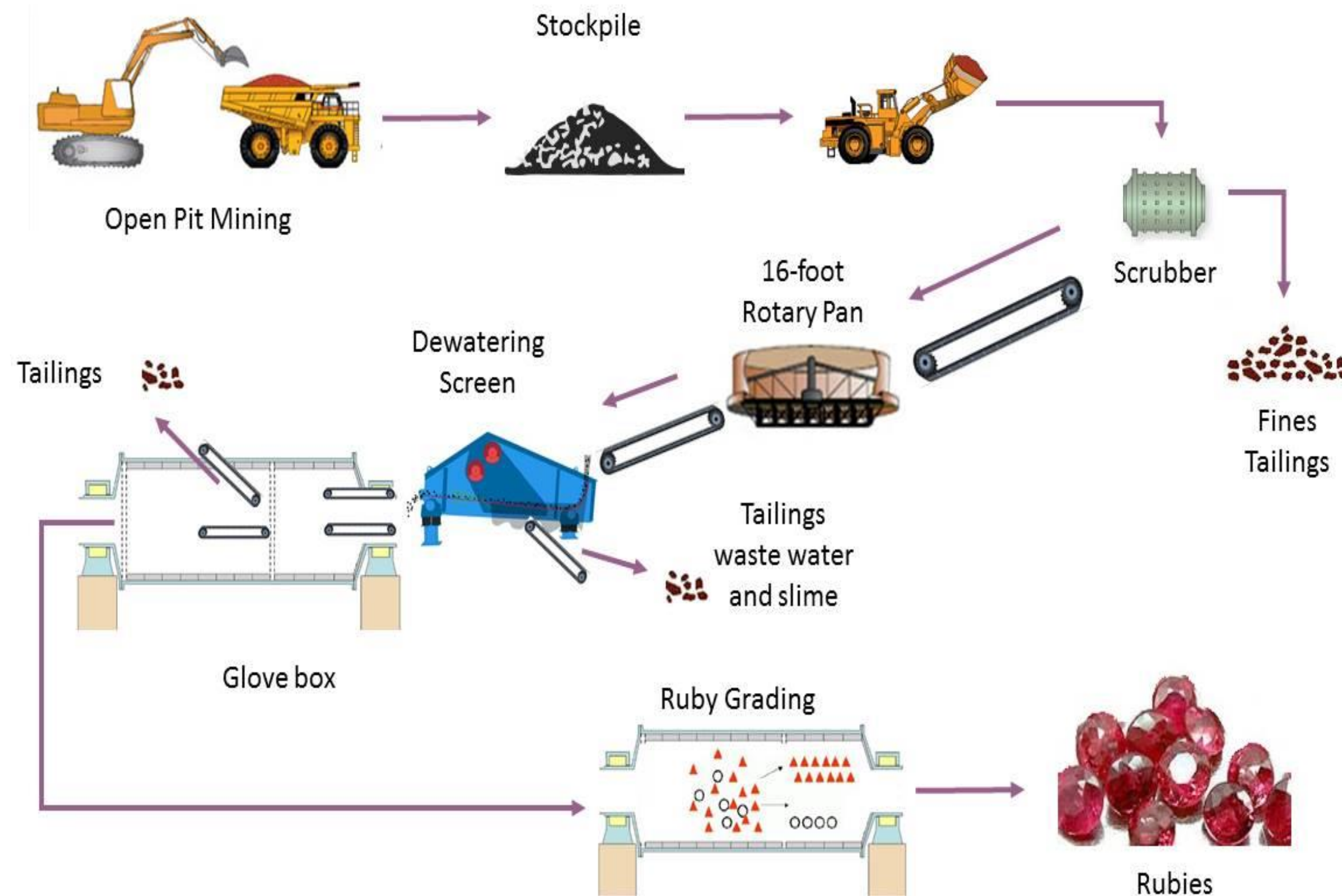
- High priority targets identified with geological features similar to Gemfields' deposit 8km SE
- NW-SE ruby mineralisation trend and structural lineaments linking to Gemfields and known artisanal diggings highlighted by high resolution Aeromagnetic Studies
- Ruby mineralisation in Montepuez Complex along structural lineaments and contacts (primary and secondary)
- 5.3km lineament transects 4143L – strong target for trenching and bulk sampling
- Mustang to focus on alluvials as source of higher quality rubies



Rubies from the Montepuez Region, not MUS licenses



Bulk Sampling Strategy – Fast Tracking Value



- **FLEET & MACHINERY (WET LEASED)**

- 45 ton Excavator
- ADTs/Tipper-Trucks
- FEL(s)

- **PROCESSING PLANT (MAJORITY EXISTING ASSETS)**

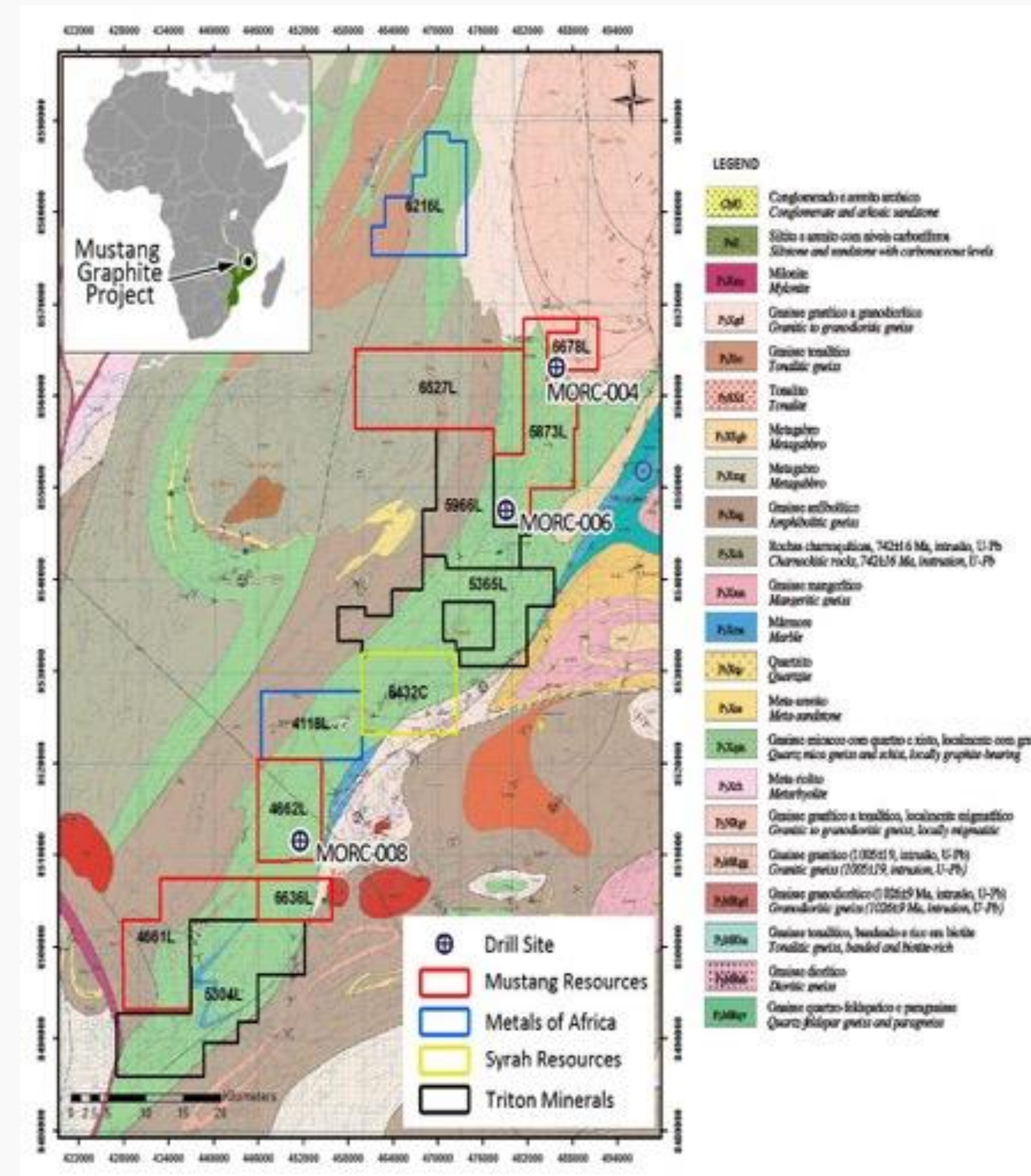
- Scrubber
- 16-foot Rotary Pan+ dewatering screen
- Glove Box (Containerised)
- Ruby Grading



Photos care of Gemfields. Illustration of bulk sampling plant & pit wall/gravel layer.

Balama Graphite Project

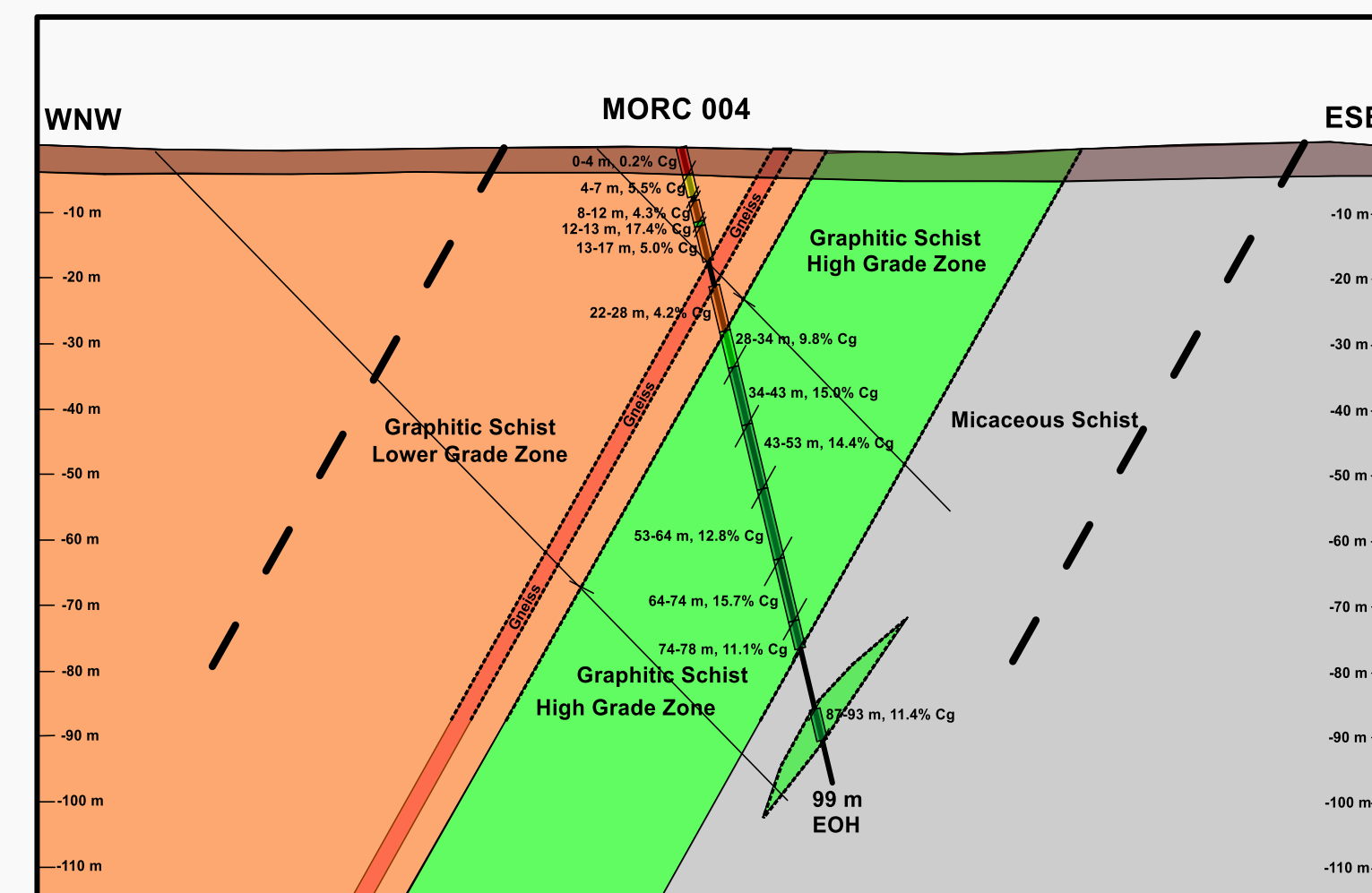
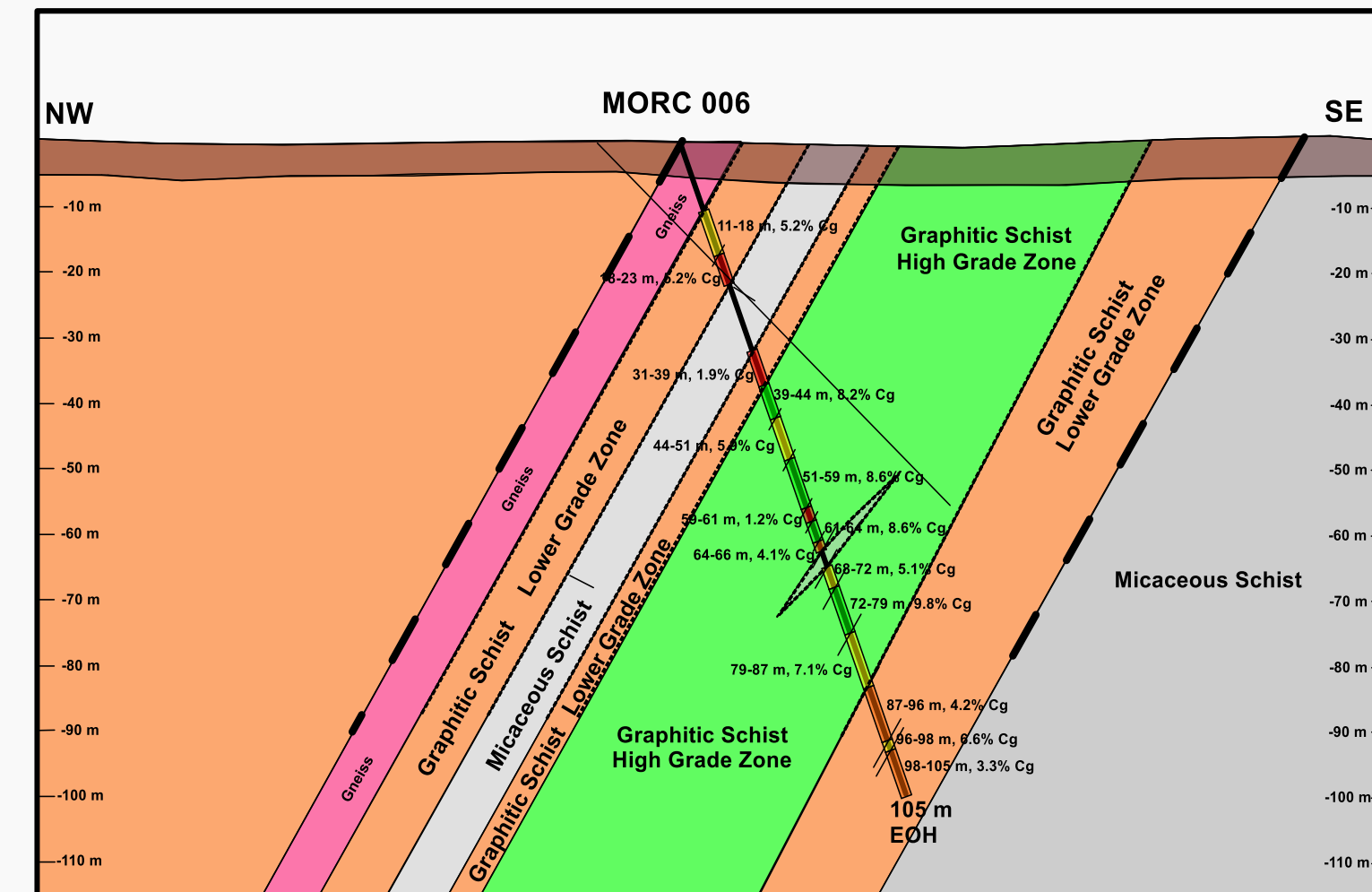
- 666.7km² project area located along strike from world-class Syrah Resources (ASX. SYR) and Metals of Africa (ASX.MTA) deposits
- Exploration programs confirm wide, high grade intervals of up to **22% Total Graphitic Carbon (TGC)**
- Significant intercepts from 1m composite RC samples, include:
 - MORC-004: **67m wide high grade graphite zone** with 23 samples above **15% TGC**, including intervals @ **22% TGC** and **20.7% TGC**
 - MORC-006: **64m high grade graphite zone**, including an interval of up to **11% TGC**
 - MORC-008: **74m high grade graphite zone**, including intervals @ **16.5% TGC** and **18.8% TGC**
- Field assessment has highlighted the potential of large flake sizes:
 - 2015 sample analysis showed **+50% Super Jumbo flakes** larger than +1180µm on licence 5873L
 - 2015 sample analysis showed **57.9% Super Jumbo flakes** larger than +1180µm on licence 4662L



Targeting a High Grade Graphite Resource



- Resource definition work program at Balama Graphite Project starting in Q3 2016
- Targeting maiden JORC Indicated & Inferred resource end of 2016
- 6678L (MORC-006): **Exploration Target of 18.66 Mt** (at an average grade of **13.6% C_g**) to **29.84Mt** (at an average grade of 9.7% C_g)*
 - 1120m program: 14 drillholes (RC & Core) + assays over 2-3 months
- 5873L (MORC-004): **Exploration Target of 23.56 Mt** (at an average grade of **6.7% C_g**) to 50.33Mt (at an average grade of 5.1% C_g)*
 - 1400m program: 14 drillholes (RC & Core) + assays over 2-3 months.

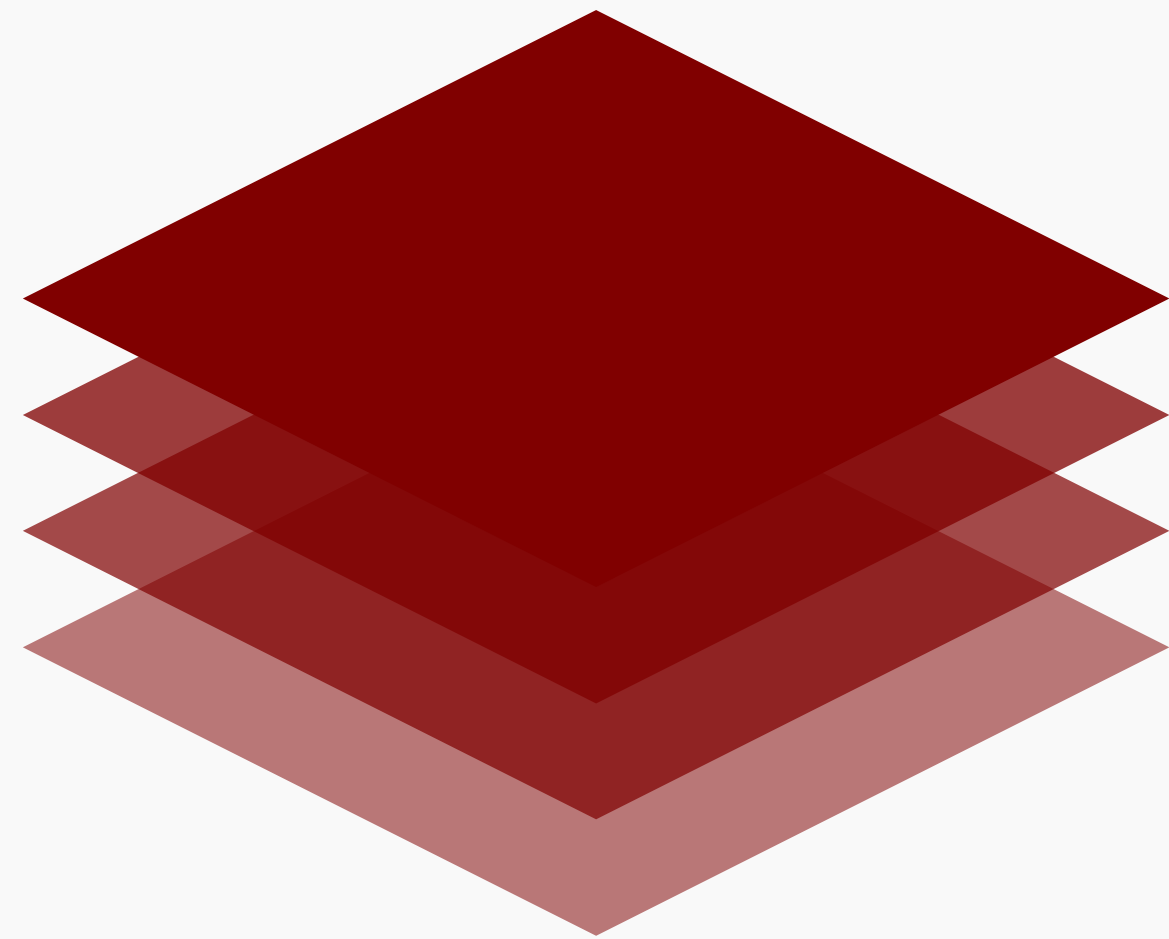


*The potential quantity and grade is conceptual in nature, in that there has been insufficient exploration to estimate a Mineral Resource it is uncertain if further exploration will result in the estimation of a Mineral Resource

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Competent Person's Statement



Information in this report that relates to the Montepuez Ruby Project's Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Paul Allan, a Competent Person who is a registered member of the South African Council for Natural Scientific Professions (SACNASP), which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Mr. Allan is an independent consultant who was engaged by the company to undertake this work. Mr. Allan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Allan consents to the inclusion of the data in the form and context in which it appears

In this report, the information that relates to the Balama Graphite project's Exploration Targets and Geophysical Exploration Results and analysis, is based on information compiled by Mr Christiaan Mouton, a Competent Person who is a registered member of the Australian Institute of Geoscientists and also a registered member of the South African Council for Natural Scientific Professions (SACNASP), which is an Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Mr Mouton is a consultant with Applied Scientific Services and Technology (ASST) which was engaged by the company to undertake this work. Mr Mouton has sufficient experience in the application of geophysical methods and techniques that is relevant to the exploration of this style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results. Mr Mouton consents to the inclusion of the data in the form and context in which it appears.

Information in this report that relates to the Balama Graphite Project's Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Johan Erasmus, a Competent Person who is a registered member of the South African Council for Natural Scientific Professions (SACNASP) which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Mr Erasmus is a consultant of Sumsare Consulting, Witbank, South Africa who was engaged to undertake this work. Mr Erasmus has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results. Mr Erasmus consents to the inclusion of the data in the form and context in which it appears.

Appendix 1: Mozambique Project Portfolio



MONTEPUEZ RUBY PROJECT (52% to 60%)

- Located in Northern Mozambique in close proximity to the world's single largest ruby deposit held by LSE-listed Gemfields PLC
- Licence area 15,800ha (158 km²)
- Starting bulk sampling in June 2016

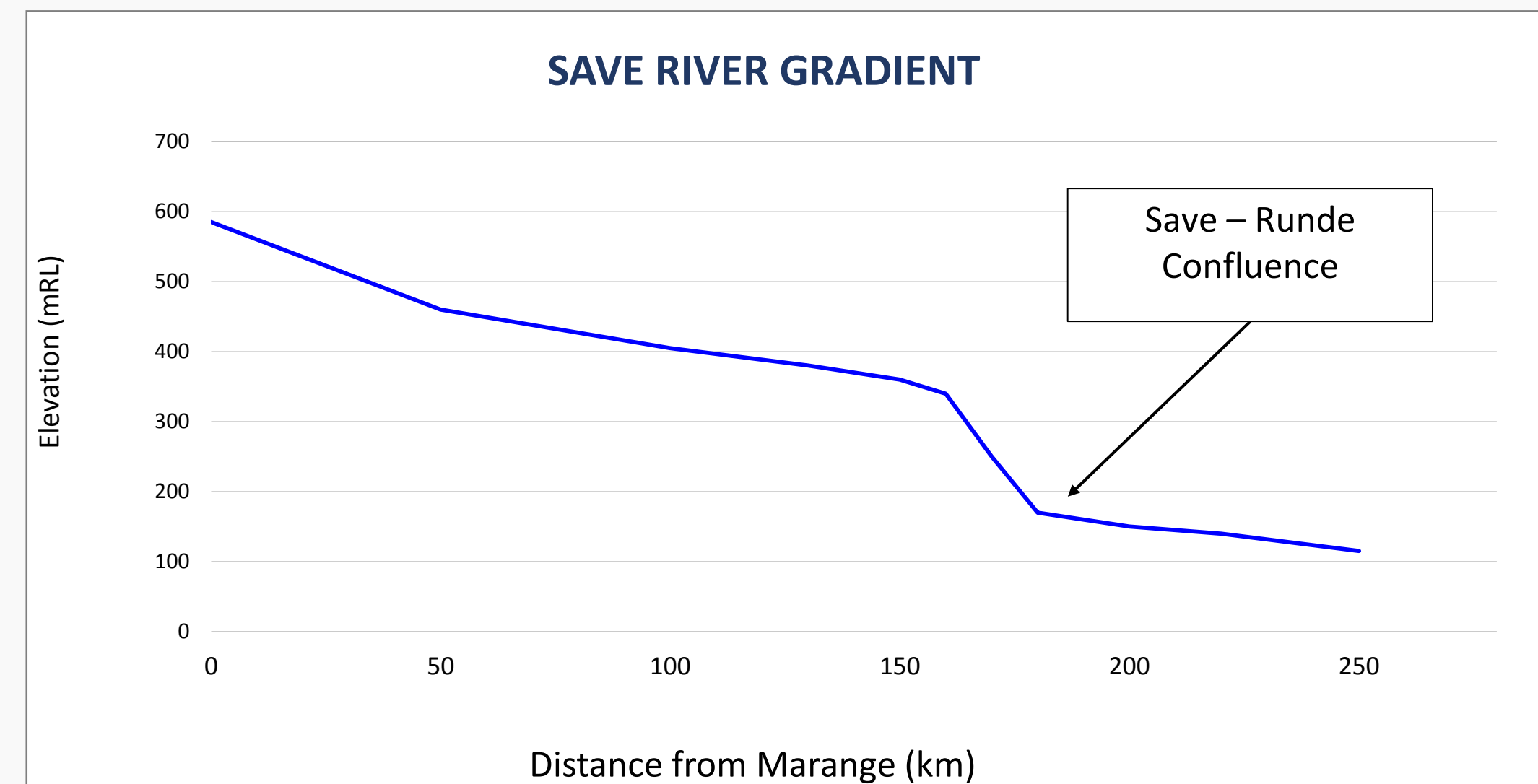
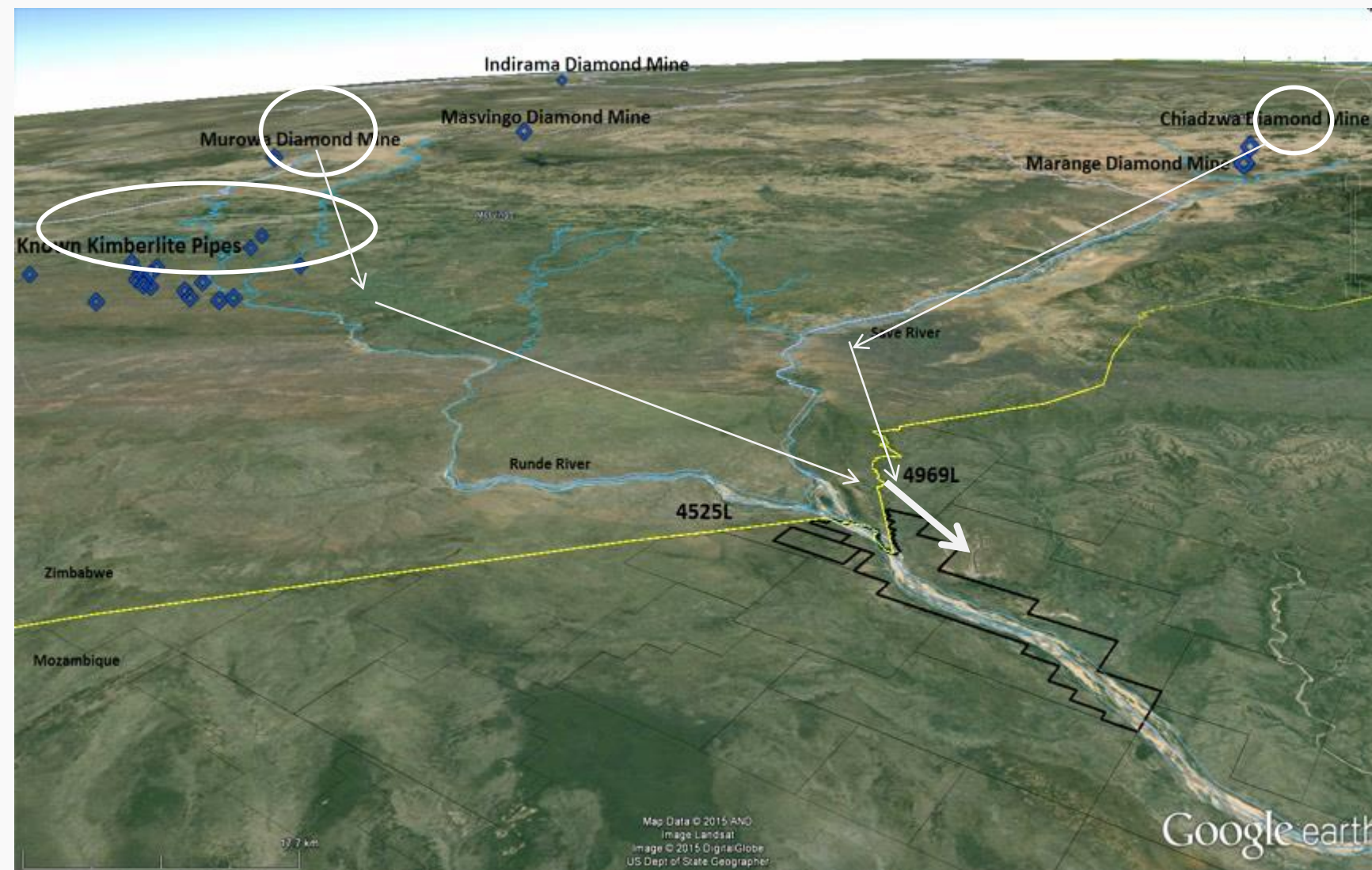
BALAMA GRAPHITE PROJECT (60% to 95%)

- Licence areas >70,000ha, interest in eight licenses
- Located along strike from Syrah Resources significant graphite resources
- High grade graphite mineralisation with large flake sizes confirmed
- Targeting maiden JORC Resource in 2016
- Option executed to acquire additional 2 licences to consolidate landholding in this region

SAVE RIVER DIAMOND PROJECT (65% to 70%)

- Located in Southern Mozambique along the Save River, after the confluence with the Runde River in Zimbabwe
- Licence area +24,044ha (240.4 km²)
- Bulk Sampling in 2015 confirmed presence of diamond mineralisation

Appendix 2: Save River Diamond Project



- Significant known Kimberlite pipe sources at Marange, Murowa and other areas in eastern Zimbabwe
- Alluvial Diamonds weathered and washed down the Save and Runde Rivers over the millennia
- Deposition site of a significant amount of alluvial gravels
- Diamonds proven on Mustang licences (70 diamonds, 43.12cts)
- Reduced activities to focus equipment and operations team on Montepuez Ruby Project
- Potential JVs for Diamond project to be pursued Q4 2016
- Mozambique Kimberley Process admission in process and expected during 2016