



Mustang Resources Limited (ASX. MUS)

Focused on developing the world-class
Montepuez Ruby Project, Mozambique

**PRESENTATION AT CANARY NETWORKS EVENT
MELBOURNE & SYDNEY
MAY 2016**

Girls Have A New Best Friend...



MUSTANG RESOURCES LTD	
ASX Code	MUS
Shares on Issue	194,250,598
Share Price (as at 24 May 2016)	\$0.042
Market Capitalisation (as at \$0.04/share)	\$7.77million
Recent Capital Raised (Placement)	\$3million



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



ASX. MUS Investment Highlights



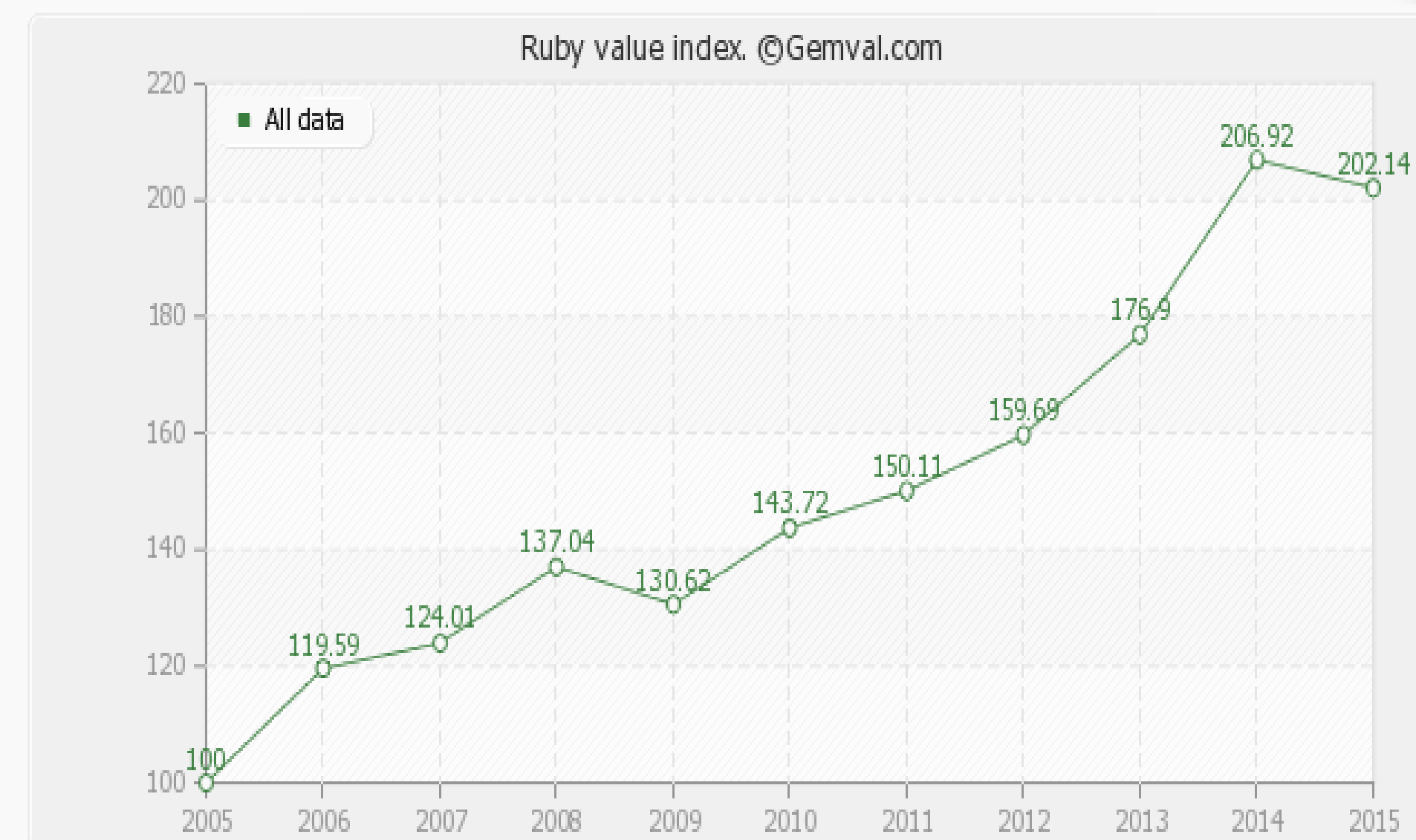
- Focused on becoming a near-term gemstone producer through fast-tracked development of the Montepuez Ruby Project
- Montepuez Ruby Project is located in a world-class ruby province, adjacent to world's largest ruby deposit, held by Gemfields PLC
- Mustang's February 2016 field work program confirmed 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
- Low capital requirement to undertake program aimed at generating cash flow to fund commercial scale mine development



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
- Luxury branded jewellery continues to outperform the overall luxury goods category



The 'Graff' Ruby

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



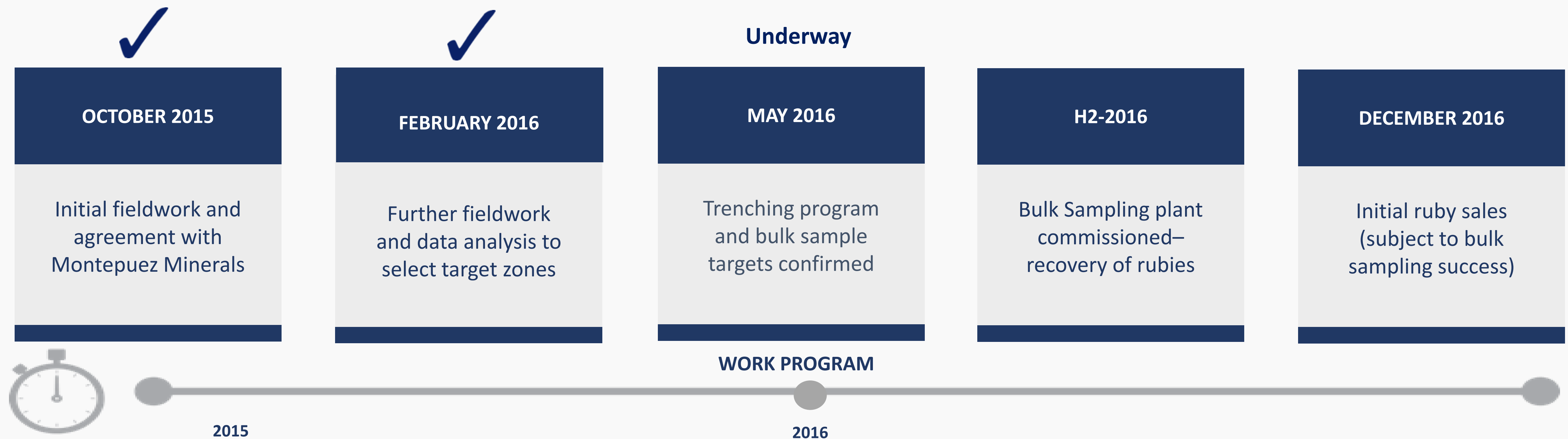
The 'Sunrise' Ruby

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

Montepuez Ruby Project Work Program



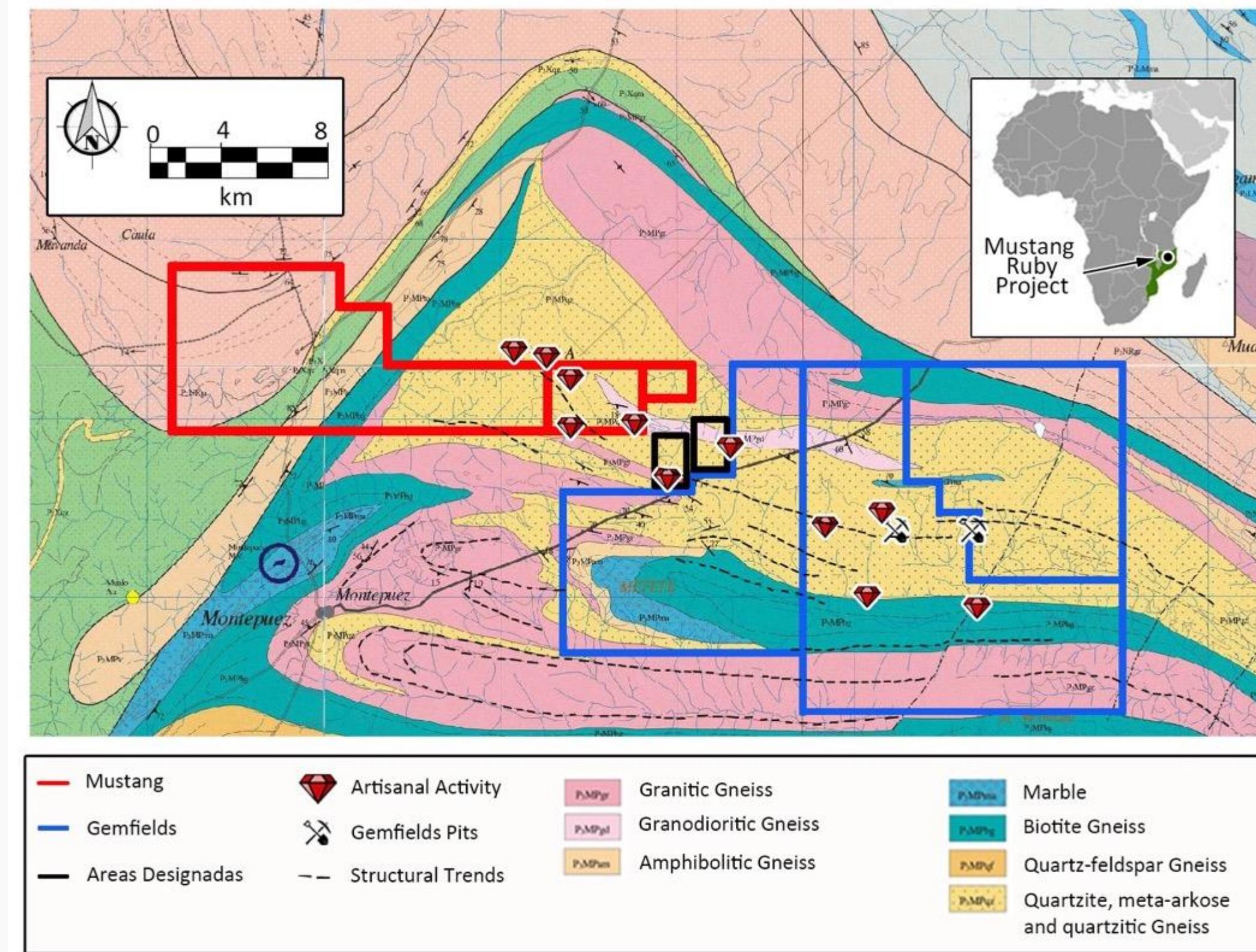
- Field work and data analysis has identified priority targets for commencement of bulk sampling in coming months
- Geological interpretation of Landsat 8 imagery and SRTM elevation data to be done
- Systematic trenching and drilling to be conducted over priority targets – select best bulk sampling targets
- 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 to start May 2016; 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\$484 million
- 75% interest in main license (350sqkm) acquired for ~US\$2.5 million in cash in 2012
- **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



- **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*

Photos courtesy of Vincent Pardieu, GIA)

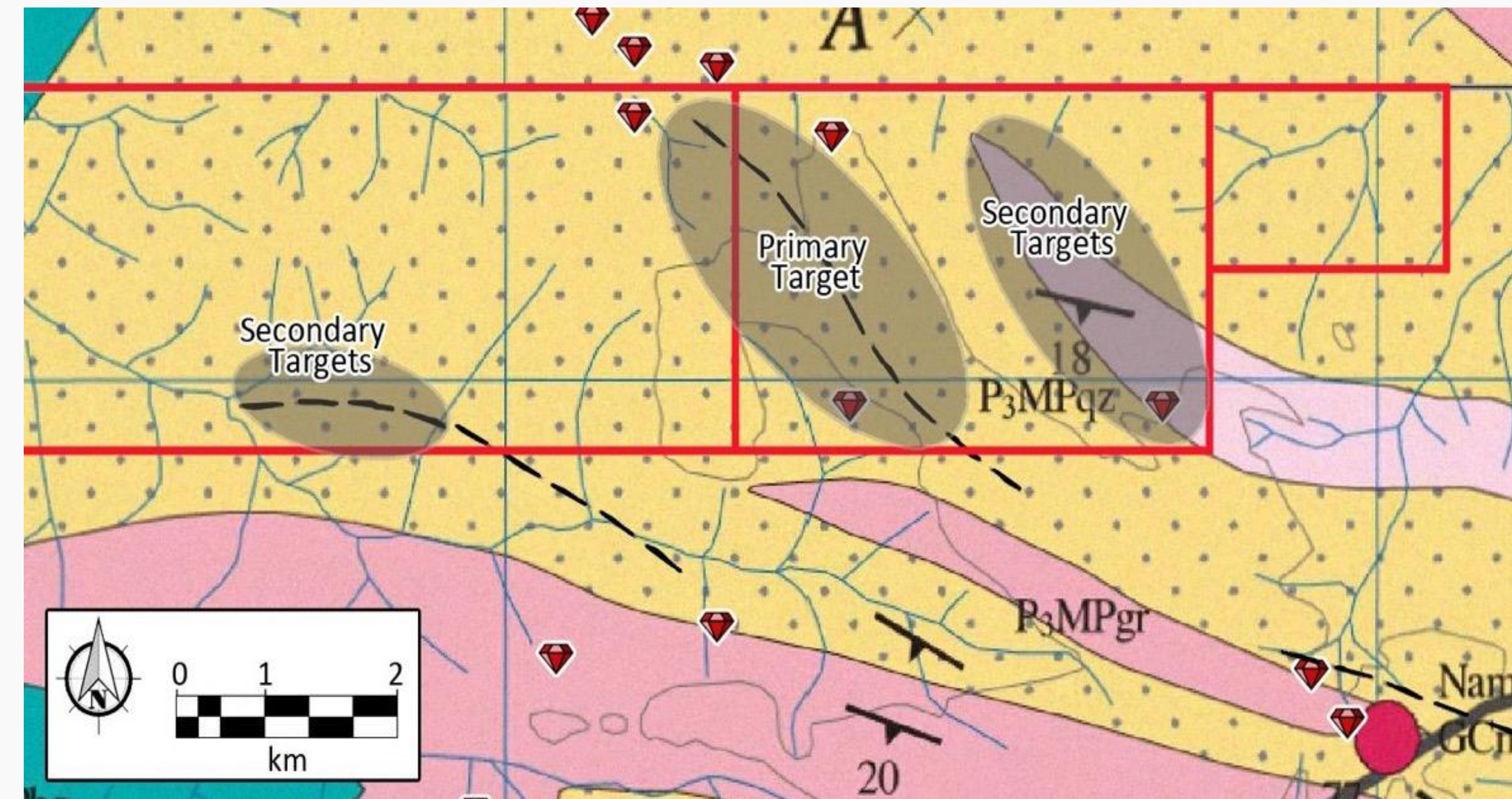
Montepuez High Priority Targets



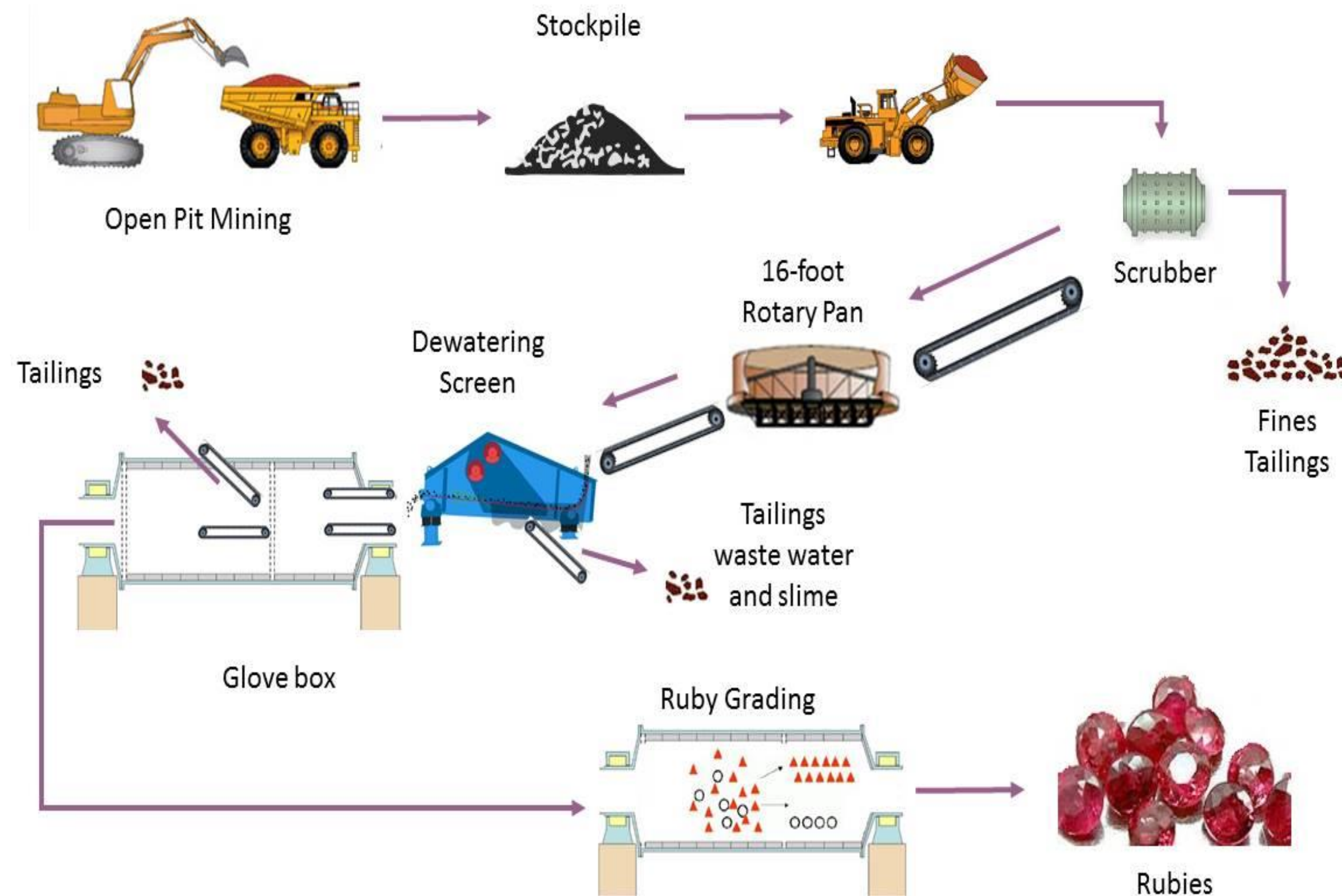
- High priority targets identified with geological features similar to Gemfields' deposit 8km SE
- NW-SE ruby mineralisation trend and structural lineaments linking to Gemfields and known artisanal diggings highlighted by high resolution Aeromagnetic Studies
- Ruby mineralisation in Montepuez Complex 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 property



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

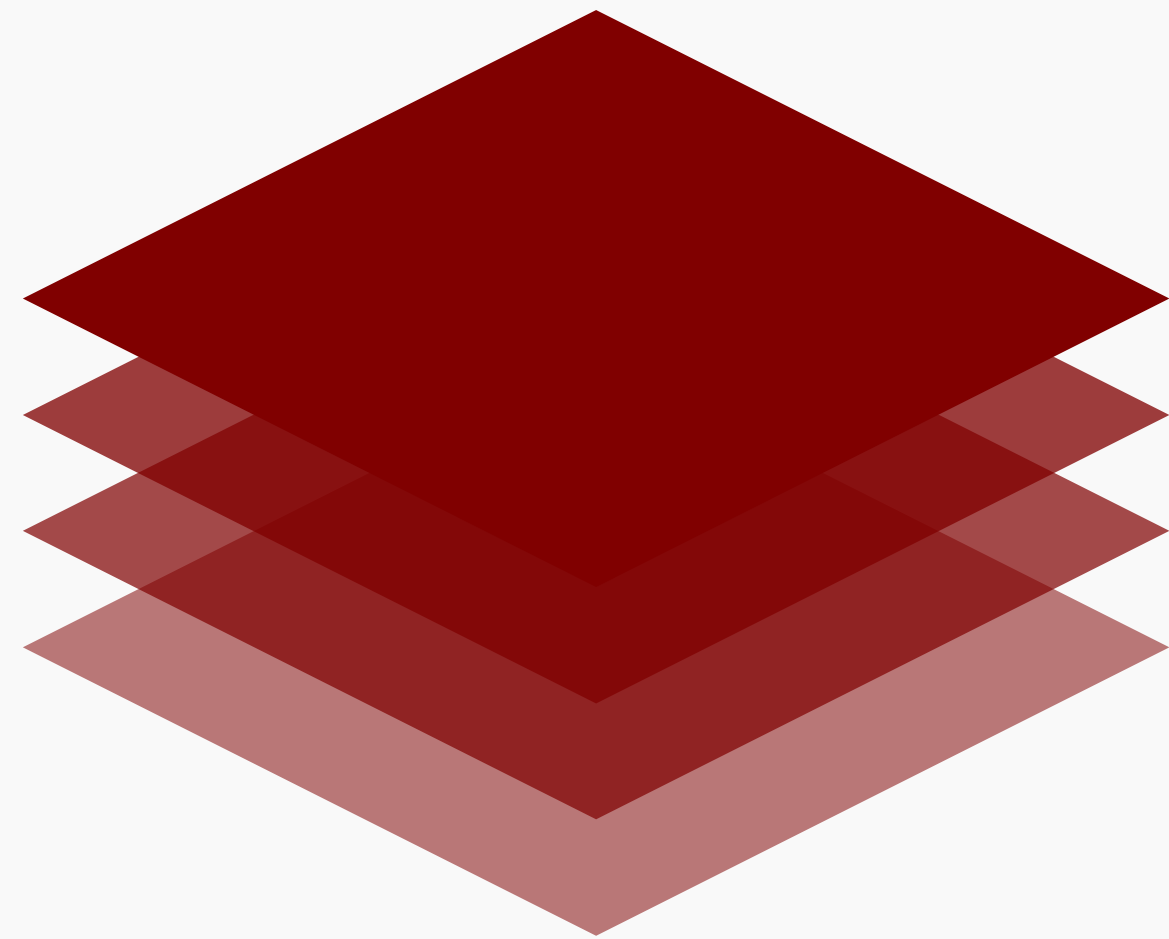


Photos care of Gemfields. Illustration of bulk sampling plant & pit wall/gravel layer.

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This Presentation 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 Presentation, 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 our management. We 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. We 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.

Competent Person's Statement



Information in this report that relates to the Montepuez Ruby Project & Save River Diamond Project in terms of Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves are based on information compiled by Dr John Bristow, 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. Dr Bristow is an independent consultant who was engaged by the company to undertake this work. Dr Bristow 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. Dr Bristow 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 a 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 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 Projects Overview



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 80%)

- Licence area >70,000ha
- 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

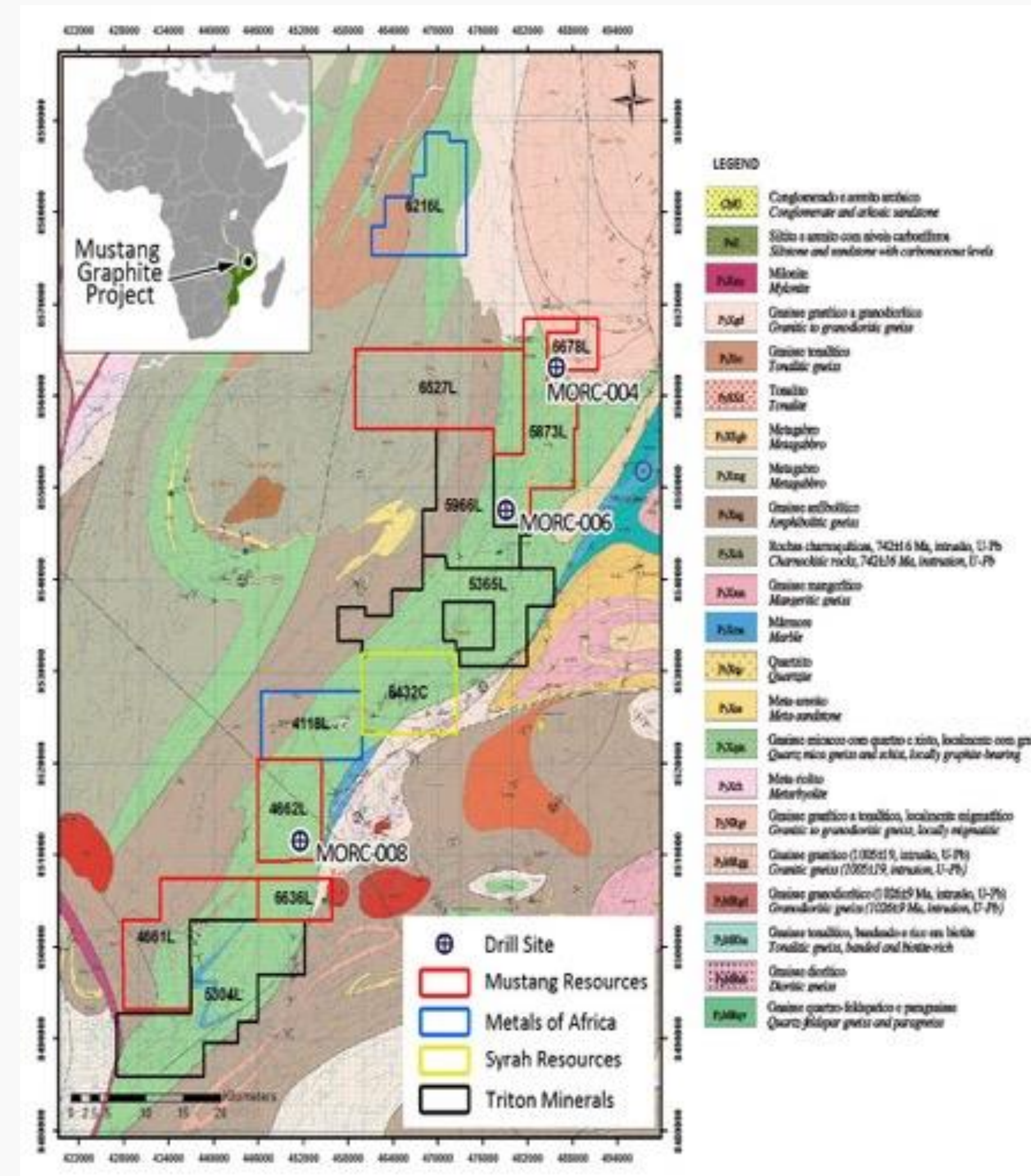
SAVE RIVER DIAMOND PROJECT (65% to 70%)

- 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

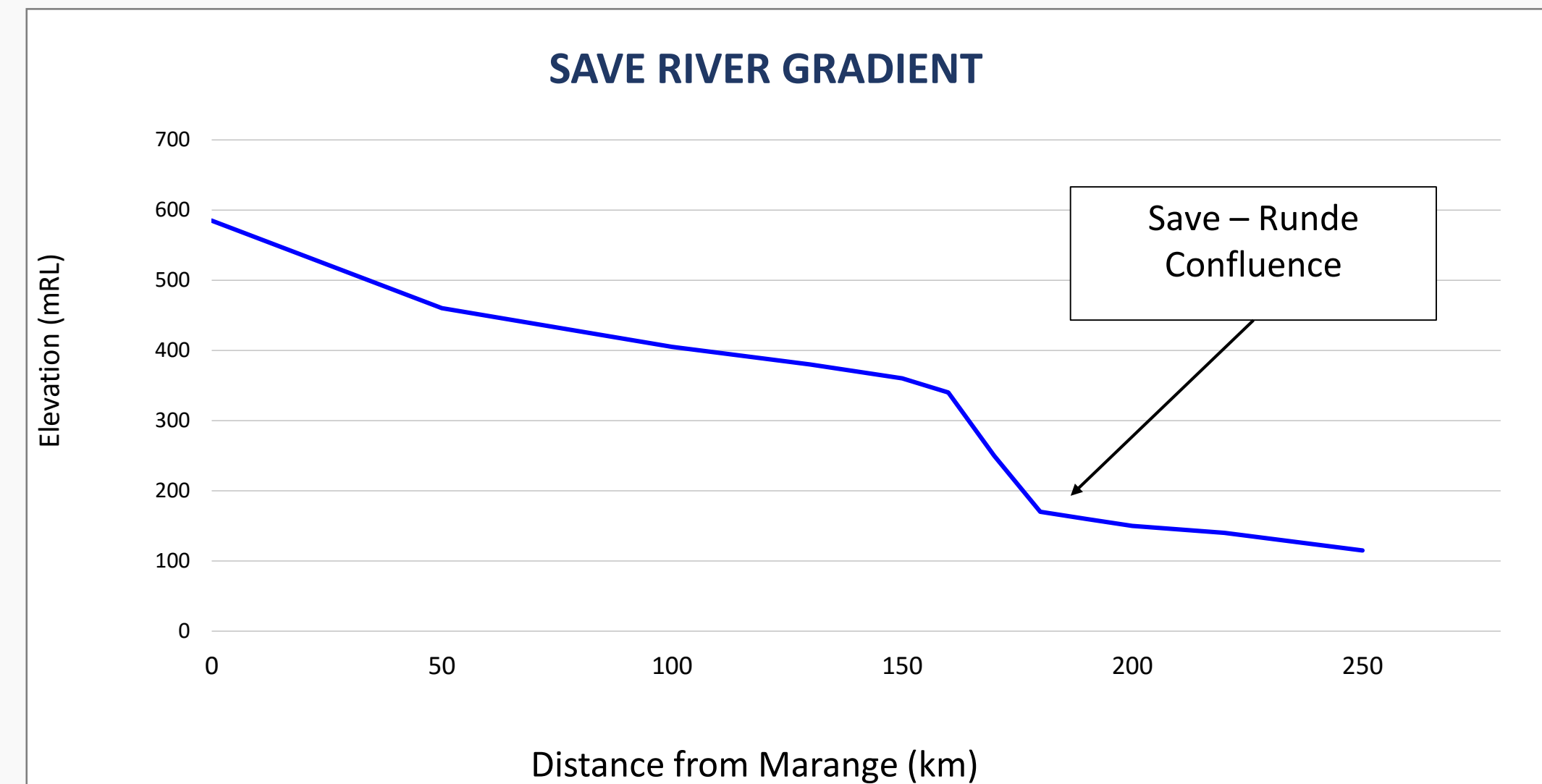
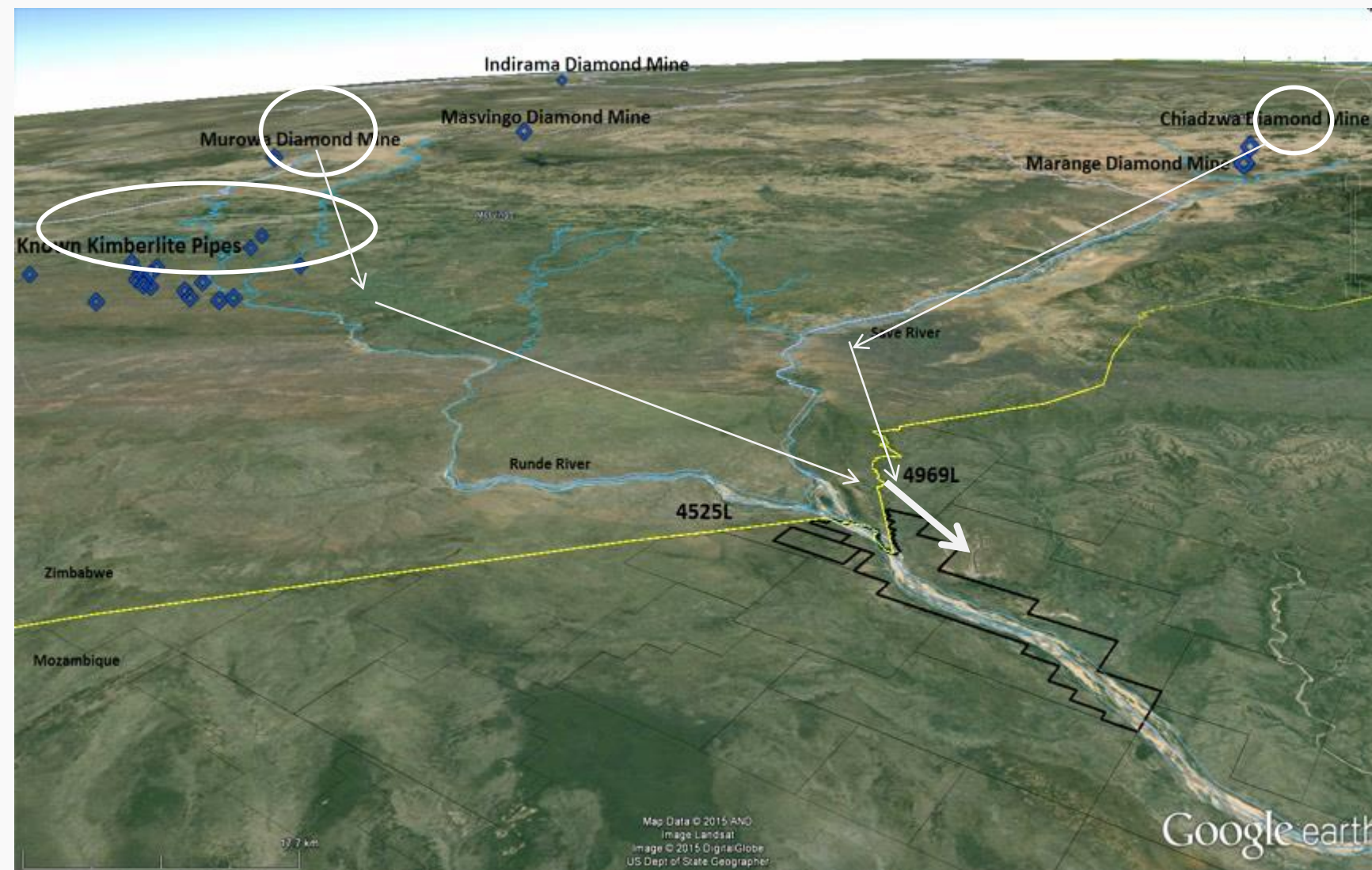
Appendix 2: Balama Graphite Project



- ~70,000ha (666.7km²) located along strike from Syrah Resources graphite project
- Lab results confirm wide, high grade intervals of up to **22% Total Graphitic Carbon (TGC)**
- Significant graphite intercepts from 1m composite RC samples:
 - 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
- High grade intersections recorded to date suggest likely extensions of nearby world-class graphite deposits
- Drilling of EM anomalies demonstrates strong correlation with well-defined conductivity zones suggesting large volume graphite potential



Appendix 3: 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