

MUSTANG RESOURCES LIMITED

ACN 090 074 785

PROSPECTUS

For the offer of up to 10,000 Shares in the capital of the Company at an issue price of \$0.04 per Share to raise up to \$400 (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 issued by the Company prior to the Closing Date.

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 under this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY

Directors

Ian Daymond
Non-Executive Chairman

Christiaan Jordaan
Managing Director

Jacobus van Wyk
Non-Executive Director

Andrew Law
Non-Executive Director

Frank Petruzzelli
Non-Executive Director

Registered Office

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ASX Code

MUS

Company Secretary

Robert Marusco

Auditor*

Grant Thornton Audit Pty Ltd
Level 30, 525 Collin Street
Melbourne VIC 3000

Share Registry*

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

Telephone: +61 8 9389 8033
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Solicitors*

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

Corporate Advisor*

Hartleys Limited
Level 6
141 St Georges Terrace
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 AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	9 May 2016
Opening Date	9 May 2016
Closing Date*	5:00pm WST on 10 May 2016
Expected date of Official Quotation of the Shares	12 May 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.

2.2 Important Notes

This Prospectus is dated 9 May 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.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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.

2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.mustangresources.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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.

2.4 Website

No document or information included on our website is incorporated by reference into this Prospectus.

2.5 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 6 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.

2.6 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.

2.7 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 our 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. These risk factors are set out in Section 6 of this Prospectus.

2.8 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 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.

3. DETAILS OF THE OFFER

3.1 Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 10,000 Shares at an issue price of \$0.04 per Share to raise up to \$400 (before expenses).

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.

3.2 Objective

The Company is seeking to raise only a nominal amount of \$400 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

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.

3.3 Application for Shares

Applications for Shares must 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 at the issue price of \$0.04 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

Delivery by hand or post
Suite 5, Level 3 9 Bowman Street South Perth WA 6151

Cheques should be made payable to “**Mustang Resources Limited – Share Offer Account**” and crossed “**Not Negotiable**”. Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

3.4 Minimum subscription

There is no minimum subscription.

3.5 Issue of Shares

Issue of Shares under the Offer will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

Where the number of Shares issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

3.6 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of 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.

3.7 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.

3.8 Enquiries

Any questions concerning the Offer should be directed to Christiaan Jordaan Managing Director, on + 61 2 9239 3119.

4. UPDATE ON ACTIVITIES AND PURPOSE AND EFFECT OF THE OFFER

4.1 Update on activities

Placement

The Company announced on 28 April 2016 that it had received formal commitments to raise approximately \$3 million (**Placement**) to be completed in two separate tranches as follows:

- (a) an initial tranche of 38,370,000 Shares were issued on 6 May 2016 without prior Shareholder approval under the Company's placement capacity provided by ASX Listing Rules 7.1 and 7.1A (**Tranche 1**). The Shares under Tranche 1 were issued using two different prices to achieve a 'net issue price' of \$0.04 per Share as follows:
 - (ii) 23,022,000 Shares at an issue price of \$0.034; and
 - (iii) 15,348,000 Shares at an issue price of \$0.049; and
- (b) a subsequent tranche of up to 61,630,000 Shares for the balance of the Placement to be issued at an issue price of \$0.04, subject to Shareholder approval (**Tranche 2**), which approval is being sought at a general meeting of Shareholders to be held in or around June 2016.

In addition to the Placement, the announced also confirmed that the Company:

- (a) would be undertaking a share purchase plan offer to eligible shareholders to raise up to \$500,000 (subject to the Company's right to accept oversubscriptions whilst maintaining compliance with the ASX Listing Rules); and
- (b) would be seeking shareholder approval to allow the Company to issue Shares to the Directors and vendors in lieu of cash for current outstanding amounts owing to the Directors and vendors, with the issue price of those Shares to be at \$0.05, being a 25% premium to the issue price of the Placement Shares and the share purchase plan Shares; and
- (c) had entered into a conditional term sheet with its largest shareholder, Lanstead Capital LP for a second equity funding facility with a similar structure to the initial equity funding facility that the Company entered into November 2015. The term sheet is conditional upon the entry by the parties into formal documentation and Shareholder approvals.

As at the date of this Prospectus, the Company is in the final stages of preparing the notice of meeting and expects that the Shareholder meeting for the approval of the issue of all of the Securities the subject of Tranche 2 of the Placement as well as for the approval of the issue of Shares to the Directors and the relevant approvals to enable the equity funding arrangement with Lanstead to be finalised will occur in early June 2015.

In addition, as at the date of this Prospectus, the formal agreements with Lanstead have not yet been finalised or agreed, although the negotiations continue on the terms of the term sheet summarised in the announcement on 28 April 2016. The Directors consider that it would therefore be inappropriate to make any assumption that the formal Lanstead agreements will be entered into until such time as those formal agreements are finalised and executed by all of the parties.

4.2 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). All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

Funds raised from the Offer will not be sufficient to meet the costs of the Offer, and therefore, the Offer is expected to have a negative impact on the working capital of the Company equal to the costs of the Offer less any amount raised.

4.3 Effect of the Offer on capital structure

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

Shares ¹	Number
Shares currently on issue ²	194,250,598
Shares offered under this Prospectus	10,000
Total Shares on issue on completion of the Offer³	194,260,598

Options	Number
Options currently on issue ⁴	44,462,240
Options offered under this Prospectus	Nil
Total Options on issue on completion of the Offer	44,462,240

Performance Rights	Number
Performance Rights currently on issue ⁵	14,000,000
Performance offered pursuant to this Prospectus	Nil
Total Performance Rights on issue on completion of the Offer	14,000,000

Notes:

- The rights and liabilities attaching to the Shares are summarised in Section 5 of this Prospectus.
- Includes Shares issued under Tranche 1 of the Placement.
- This assumes the Offer is fully subscribed and no Options are exercised. In addition, the Company is intending to seek Shareholder approval at a general meeting of Shareholders to be held in or around June 2016 for the issue of:
 - 61,630,000 Shares under Tranche 2 of the Placement;
 - 11,382,440 Shares to Directors, vendors or entities associated with Directors and vendors, in lieu of fees and purchase consideration owing to those parties; and
 - 22,312,500 Shares to Lanstead Capital L.P.A Notice of General Meeting is expected to be sent to Shareholders in early to mid May 2016.
- Comprising:
 - 31,324,181 quoted Options exercisable at \$0.25 each on or before 30 June 2017;
 - 149,253 unquoted Options exercisable at \$0.2412 each on or before 10 November 2017;

- (c) 2,238,806 unquoted Options exercisable at \$0.21 each on or before 22 May 2017 (escrowed until 21 May 2016);
 - (d) 500,000 unquoted Options exercisable at \$0.20 each on or before 31 October 2016 (escrowed until 10 June 2017);
 - (e) 1,500,000 unquoted Options exercisable at \$0.20 each on or before 1 December 2016 (escrowed until 10 June 2017); and
 - (f) 8,750,000 unquoted Options exercisable at \$0.25 each on or before 30 June 2017.
5. Comprising:
- (a) 7,140,000 unquoted Class E Performance Rights (escrowed until 21 May 2016); and
 - (b) 6,860,000 unquoted Class E Performance Rights (escrowed until 10 June 2017).

The Class E Performance Rights will vest, and convert to Shares at a ratio of 1:1, upon proving a JORC Compliant Inferred Graphite Resources of a minimum of 50 million tonnes @ >5% Total Graphite Content, on any of the Balama licences on or before 31 December 2019.

4.4 Financial effect of the Offer

After expenses of the Offer of approximately \$5,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$400) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$400 less costs of preparing the Prospectus of approximately \$5,000.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered 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.

5.1 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.

5.2 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).

5.3 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 for which the profits of the Company may be properly applied.

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 the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

5.4 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 for that purpose set such value as he considers fair upon any property to be so divided, 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 such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.5 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.

5.6 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.

5.7 Future increase in capital

The allotment and 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.

5.8 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.

5.9 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.

6. RISK FACTORS

6.1 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.

6.2 Company specific

(a) Going concern risk

The Company's financial report for the half-year ended 31 December 2015 (released to ASX on 11 March 2016) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the consolidated entity's ability to continue as a going concern.

Notwithstanding the 'Material uncertainty regarding going concern' paragraph included in the half-year financial report, the Directors believe that upon the successful completion of the Placement, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. Please refer to Section 6.2(e) below for further details.

In the event that the Placement is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern, and which is likely to have a material adverse effect on the Company's activities.

(b) Risks associated with operating in Mozambique

The ruby, diamond and graphite projects 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.

(c) **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.

(d) **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.

(e) **Activity of garempeiros on tenements**

Some artisanal and unlicensed ruby mining activities by illegal artisanal miners (**garempeiros**) with hazardous and risky excavation practices occur on limited areas within the Company's licence areas. Access by the Company to some parts of the licence areas may be impeded from time to time unless the Company successfully engages with those garempeiros, with the assistance of local authorities and the Government. Based upon the recent experience of Gemfields Plc with garempeiros on its ground nearby, the Company considers that it will be possible to reach a mutually beneficial accommodation with the garempeiros, thereby removing any significant issue with access to tenure and security of its operations.

(f) **Additional requirements for capital risk**

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, 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. 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.

(g) **Exploration and development risks**

The business of graphite 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 any new assets acquired by the Company, 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.

(h) **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.

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.

(i) **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.

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.

6.3 General risks

(a) 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.

(b) 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.

(c) 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 Mozambique may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(d) 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.

(e) **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.

(f) **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.

(g) **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.

6.4 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 highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 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 the 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 or an ASIC office during normal office hours.

Details of documents lodged 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
09/05/2016	Appendix 3B
29/04/2016	Quarterly Activities & Cashflow Report
28/04/2016	Placement
26/04/2016	Trading Halt
19/04/2016	Appendix 3B
19/04/2016	Investor Presentation
12/04/2016	Appendix 3B
05/04/2016	Change in substantial holding
04/03/2016	Montepuez Ruby Project Works Program Update
30/03/2016	Ruby Market Analysis
30/03/2016	Response to ASX Appendix 3X and 3Y Query
29/03/2016	Change of Director's Interest Notice - Date Corrected
29/03/2016	Change of Director's Interest Notice - Date Corrected
29/03/2016	Change of Director's Interest Notice - Date Corrected
18/03/2016	Appendix 3B - Final issue of shortfall options
18/03/2016	Change of Director's Interest Notice
18/03/2016	Change of Director's Interest Notice
18/03/2016	Change of Director's Interest Notice
18/03/2016	Initial Director's Interest Notice
18/03/2016	Change in substantial holding
16/03/2016	Change in substantial holding
11/03/2016	Half Yearly Report and Accounts
08/03/2016	Exercise of Option to Acquire 2 Additional Graphite Licences
07/03/2016	Cancellation of Performance Share Rights Approved
04/03/2016	Appointment of Company Secretary & CFO

Date	Description of Announcement
03/03/2016	March 2016 Investor Presentation
03/03/2016	Shareholder Approval of Major Resolutions
03/03/2016	Cleansing Prospectus
02/03/2016	Appendix 3B - Issue of Shares & 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
11/12/2015	Asset Acquisitions Purchase Consideration Reduced
10/12/2015	Mustang Strengthens Leadership Team
07/12/2015	Ceasing to be a substantial holder - van Wyk
03/12/2015	Change in substantial holding - Petruzzelli
02/12/2015	Becoming a substantial holder
01/12/2015	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 - Options Prospectus
10/11/2015	Entitlement Issue Prospectus - Options
09/11/2015	Significant Graphite Intersections Recorded @ Balama Project
30/10/2015	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

Date	Description of Announcement
29/10/2015	Annual Report 2015

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 www.mustangresources.com.au.

7.3 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 most recent dates of those sales were:

	Price	Date
Highest	\$0.12	23 February 2016
Lowest	\$0.037	5 May 2016
Last	\$0.038	6 May 2016

7.4 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, 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 L.P. ¹	26,250,000	13.51%
Regius Resources Group Limited ¹	23,374,028	12.03%
Frank Petruzzelli ¹	23,124,802	11.90%
Thomas Booth	12,497,487	6.43%

Notes:

1. In addition, the Company is intending to seek Shareholder approval at a general meeting of Shareholders to be held in or around June 2016 for the issue of:
 - (a) 22,312,500 Shares to Lanstead Capital L.P.;
 - (b) 6,051,280 Shares to Regius Resources Group Limited in lieu of consulting fees and outstanding purchase consideration payable to Regius Resources Group Limited in relation to the acquisition of an 80% interest in Montepuez Minerals Pty Ltd and the acquisition of rights to earn 90% and 95% interests in two further graphite licences;
 - (c) 300,000 Shares to Mr Petruzzelli in lieu of Director's fees owing to Mr Petruzzelli; and
 - (d) 3,431,160 Shares to MDB Taxation and Business Advisors Pty. Ltd., an entity controlled by Mr Petruzzelli, in lieu of consulting fees owing to MDB Taxation and Business Advisors Pty. Ltd.

A Notice of General Meeting is expected to be sent to Shareholders in early to mid May 2016.

7.5 Directors' Interests

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 them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options	Performance Rights
Ian Daymond ⁴	100,000	33,333 ¹	Nil
Christiaan Jordaan ⁴	23,374,028	Nil	6,860,000 ²
Jacobus van Wyk ⁴	23,374,028	Nil	6,860,000 ²
Andrew Law ⁴	Nil	Nil	Nil
Frank Petruzzelli ⁴	23,124,802	6,609,464 ³	4,200,000 ²

Notes:

1. Quoted Options exercisable at \$0.25 each on or before 30 June 2017.
2. Comprising Class E Performance Rights.
3. Comprising:
 - (a) 5,403,867 quoted Options exercisable at \$0.25 each on or before 30 June 2017; and
 - (b) 1,205,597 unquoted Options exercisable at \$0.21 each on or before 21 May 2017.
4. In addition, the Company is intending to seek Shareholder approval at a general meeting of Shareholders to be held in or around June 2016 for the issue of:
 - (a) 400,000 Shares to Mr Daymond in lieu of Director's fees owing to My Daymond;
 - (b) 6,051,280 Shares to Regius Resources Group Limited, an entity associated with Christiaan Jordaan and Jacobus van Wyk, in lieu of consulting fees and outstanding purchase consideration payable to Regius Resources Group Limited;
 - (c) 300,000 Shares to Mr van Wyk in lieu of Director's fees owing to Mr van Wyk;
 - (d) 900,000 Shares to Fusion WA Pty Ltd, an entity controlled by Andrew Law, in lieu of consulting fees owing to Fusion WA Pty Ltd;
 - (e) 300,000 Shares to Mr Petruzzelli in lieu of Director's fees owing to Mr Petruzzelli; and
 - (f) 3,431,160 Shares to MDB Taxation and Business Advisors Pty. Ltd., an entity controlled by Mr Petruzzelli, in lieu of consulting fees owing to MDB Taxation and Business Advisors Pty. Ltd.

A Notice of General Meeting is expected to be sent to Shareholders in early to mid May 2016.

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 ¹	\$80,700 ²	\$Nil
Christiaan Jordaan ³	\$125,925	\$Nil	\$Nil
Jacobus van Wyk ⁴	\$200,000 ⁵	\$164,059	\$Nil
Andrew Law	\$192,914 ⁶	\$51,635	\$Nil
Frank Petruzzelli ⁷	\$209,466.40 ⁸	\$Nil	\$Nil

Notes:

- Of this amount, and subject to Shareholder approval, \$20,000 will be settled by way of issue of Shares.
- Daymond & Associates Pty Ltd, an entity associated with Ian Daymond was paid a \$15,000 (excluding GST) consulting fee during the 2015 financial year in regard to the Company's relisting.
- Christiaan Jordan was appointed on 1 February 2016.
- Jacobus van Wyk was appointed on 10 June 2015. Prior to 10 June 2015, Mr van Wyk was engaged as a consultant to the Company.
- Of this amount, and subject to Shareholder approval:
 - \$46,800 will be settled by way of issue of Shares in satisfaction of consulting fees owing to Regius Resources Group, an entity controlled by Mr van Wyk; and
 - \$15,000 will be settled by way of issue of Shares in satisfaction of Director's fees owing to Mr van Wyk.
- Of this amount, and subject to Shareholder approval, \$45,000 will be settled by way of issue of Shares.
- Mr Petruzzelli was appointed on 13 July 2015. 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. The agreement between the Company and MDB Taxation & Business Services Pty Ltd was terminated by the Company, effective 1 April 2016.
- Of this amount, and subject to Shareholder approval, \$186,558 will be settled by way of issue of Shares.

7.6 Interests of experts and advisers

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

- (a) 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;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-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:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) 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.

7.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

7.8 Estimated expenses of Offer

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

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form

on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

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 2 9239 3199 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

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 Prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES 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 CHES 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.

7.11 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 Shares, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

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 to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to read 'C. Jordaan', with a stylized flourish at the end.

Christiaan Jordaan

Director

**For and on behalf of
MUSTANG RESOURCES LIMITED**

9. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an 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 the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

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 the directors of the Company as at the date of this Prospectus.

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 of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Placement has the meaning given in Section 4.1.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a shareholder of the Company.

WST means western standard time as observed in Perth, Western Australia.