



COMPANY INFORMATION

Mustang Resources Ltd

ABN 34 090 074 785

ASX Code: MUS

Current Shares on Issue:
772,252,996

Market Capitalisation:
\$80.63M as at 31 October 2017

COMPANY DIRECTORS

Ian Daymond
Chairman

Christiaan Jordaan
Managing Director

Cobus van Wyk
Director

Peter Spiers
Director

1 November 2017

INAUGURAL ROUGH RUBY TENDER RESULTS

HIGHLIGHTS

- Inaugural tender process was concluded on Monday afternoon (Mauritius time) on 30 October 2017 after three days of closed tendering
- The tender was well-attended by buying entities from around the world
- Eight Bid Schedules (comprising multiple lots) were sold from a total of 21 schedules offered
- Mustang accepted bids for 29,463 carats ranging from A\$6 per carat to A\$1,944 per carat.
- Total sales proceeds to be received by Mustang are A\$713,456 at an average price of A\$24.21 per carat
- Valuable feedback received from buyers on their requirements
- The final results reflected inadequate volumes in each category
- Mustang will now focus on increasing the quantity of rubies it offers within those categories for which demand was the strongest
- The next planned plant upgrade at the Montepuez Ruby Project will be delayed. This will reduce expenditures and enable Mustang to focus on accumulating more rubies in each of the most desired categories ahead of its next tender targeted for mid-2018

As foreshadowed in previous announcements to the market, Mustang Resources Limited (ASX: MUS) confirms that it has completed its inaugural ruby tender, which was held between 27 and 30 October 2017 in Port Louis, Mauritius. The tender results were received by the Company at 8pm AEDT on Monday 30 October 2017.

Inaugural Ruby Tender Results

Eight Bid Schedules totaling 29,463 carats were sold at prices ranging from A\$6 a carat to A\$1,944 a carat.¹ The average realised price was A\$24.21/ct and gross sales proceeds of approximately A\$713,456 will be received.

Bids for the remaining 13 Bid Schedules offered for sale did not reach their reserve prices and will be held over to the next tender, which is scheduled for mid-2018.

Mustang's Managing Director, Christiaan Jordaan, said the tender results were clearly disappointing but the Company has gathered valuable market intelligence for future tenders.

"The feedback from buyers and the results make it very clear that we need to offer increased quantities of rubies in each category. This is because buyers and their jewellery customers need to be certain that there are enough similar rubies available to enable them to produce the required number of any particular jewellery item.

"The tender process has also enabled us to identify those categories which are in high demand."

"We will now focus on building the inventory required by the market. As part of this, we have decided to delay the planned plant upgrade at Montepuez, which will reduce our expenditure and allow us to focus on preparations for our second tender."



Figure 1. Inaugural Rough Ruby Tender - Port Louis, Mauritius

Next Steps

As part of the strategy existing surface stockpiles of ruby-bearing gravels of around 96,000 tonnes will be processed in the coming months. Pitting and exploration activities will focus on areas now identified to host the most sought-after rubies. The Company's bulk sampling to date has only covered a very small part of the licensed areas (see Figure 2). Mustang strongly believes there is considerable potential to identify additional high value rubies within its 193sqkm project area which is located within the world-class Montepuez ruby-field. Exploration will focus on areas to the east of the existing bulk sample pits and the Company also plans to acquire rights to explore in additional license areas in the Montepuez ruby field.

¹ Exchange rate 0.77 USD:AUD

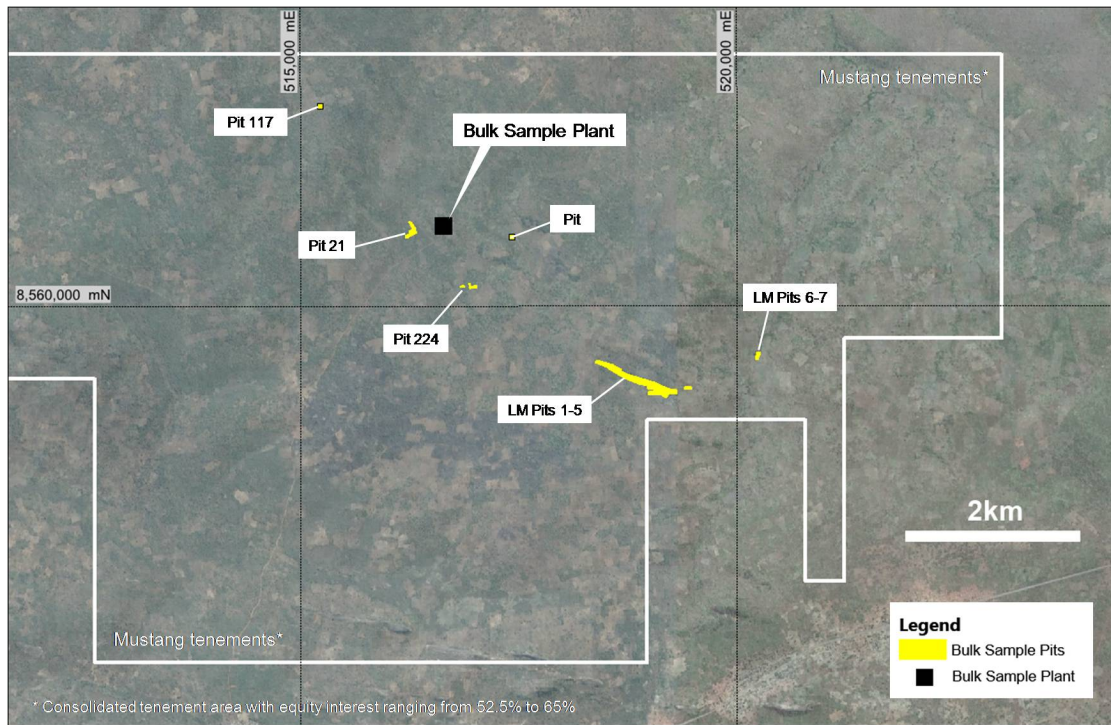


Figure 2. Location of bulk sampling pits in Project Area

The Company has an estimated A\$4,315,672 (excluding the gross ruby sales of A\$713,456) cash on hand as at 31 October 2017. Expenditures will reduce significantly as exploration work becomes more focused and priority is given to the processing of the existing stockpile through the wet season when mining is not economical due to field conditions.

Mustang Chairman Ian Daymond said: “The Company’s management and operational team, including our people on the ground in Mozambique, worked incredibly hard to organise and bring this inaugural tender to market in such a short space of time. I thank them for their huge efforts.

“I would also like to give special thanks to our buyers for attending and supporting the tender. We were also privileged to welcome representatives from the Government of Mozambique.”



Figure 3. Buyer inspecting rubies at Mustang’s inaugural rough ruby tender



Figure 4. Buyer inspecting a ruby at Mustang's inaugural rough ruby tender

For and on behalf of the Company.

Christiaan Jordaan
Managing Director

FOR FURTHER INFORMATION, PLEASE CONTACT:

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FORWARD-LOOKING STATEMENTS:

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to the Company's planned exploration program and other statements that are not historic facts. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although the Company considers that its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements