



7 June 2017

COMPANY INFORMATION

Mustang Resources Ltd
ABN 34 090 074 785
ASX Code: MUS

Current Shares on Issue:
529,852,626
Market Capitalisation:
\$22.25M as at 5 June 2017

COMPANY DIRECTORS

Ian Daymond
Chairman

Christiaan Jordaan
Managing Director

Cobus van Wyk
Director

Peter Spiers
Director

BULK SAMPLING STARTS ON NEW HIGHLY STRATEGIC RUBY LICENCE

Mustang Resources (**ASX: MUS or the Company**) is pleased to announce that it has taken another significant step in its strategy to ramp up processing at the Montepuez Ruby Project in Mozambique with the start of bulk sampling on the recently-acquired Licence 8245L area.

The licence is highly strategic because it borders the existing Montepuez licence areas of the Company on one side and the lucrative ruby project owned by London-listed Gemfields on the other (**Figure 1**)

Importantly, it lies along the south-east, north-west ruby mineralisation trend, which also transects the adjacent Gemfields licences.

A February 2017 site visit by Mustang consultant Paul Allan confirmed that artisanal miners are recovering high-quality rubies from this licence area.

Mustang has made a strong start to the bulk sampling at 8245L, with >10,000 tonnes of gravel already delivered to the Montepuez processing plant from Pit NT01 (**Figure 2**).

Mineralisation within Pit NT01 is shallow with a very low strip ratio.

The increasing throughput means Mustang is also on track to achieve its target of building a ruby inventory of 200,000 carats ahead of its planned initial auction in October this year. This will provide an opportunity to increase the volume of rubies available for sale in the October auction.



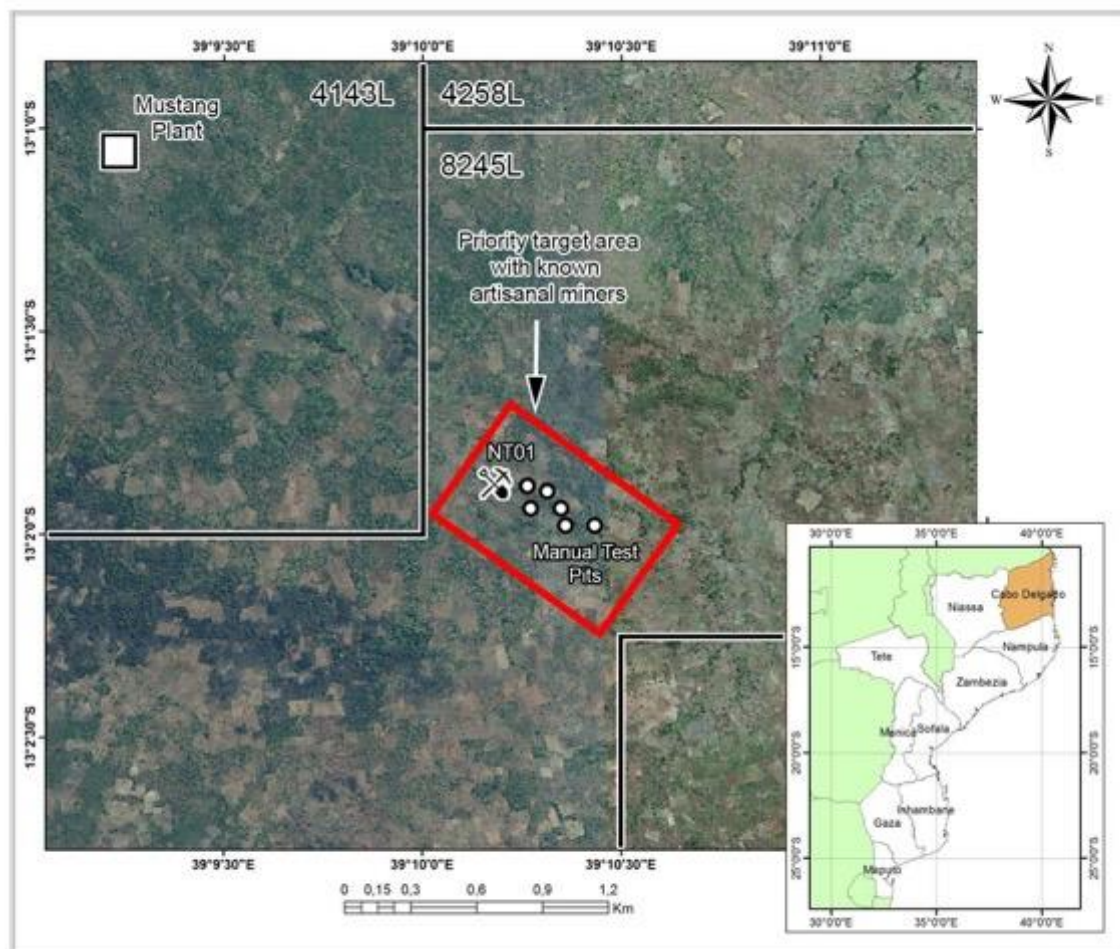


Figure 2: Licence 8245L & Pit NT 01



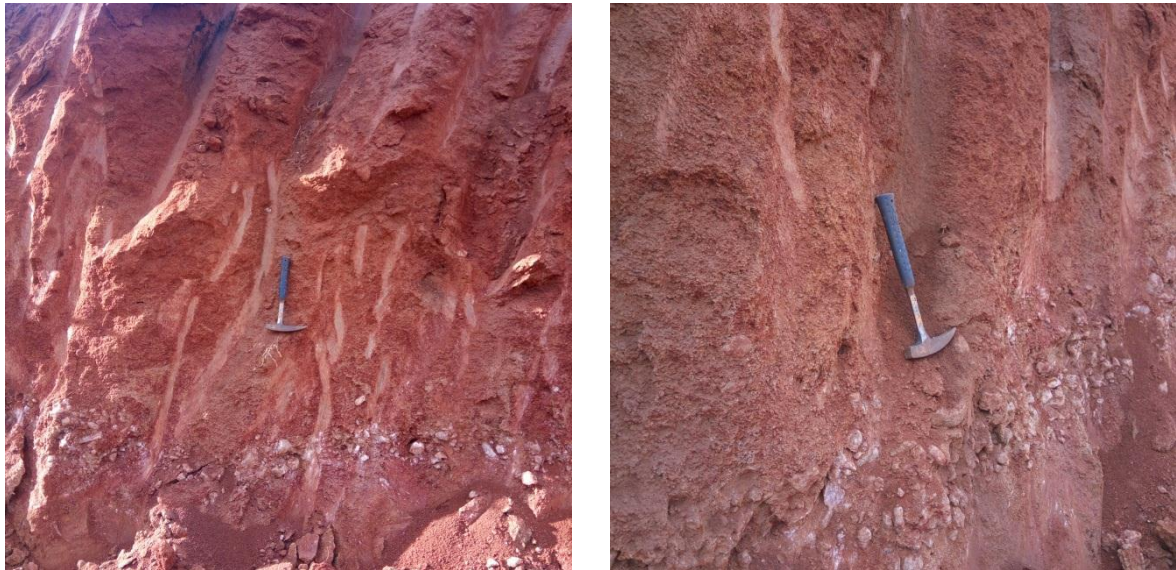


Figure 3: Shallow stripping of NT 01; SW Face of NT 01 Cut 1; gravels within Pit NT 01

Completion of 8245L Acquisition

The Company is pleased to confirm that all conditions precedent have been met under the binding Term Sheet dated 23 February 2017 with Regius Resources Group Ltd for the acquisition of a 65% interest in 8245L.

One of the conditions precedent (being the execution of Shareholders and Loan Agreements with SLR Mining Lda, which is the registered holder of the licence) has been waived by the Company in the interests of completing the acquisition of the rights to the 65% interest prior to 30 June 2017 and of proceeding forthwith with the prospecting program on the licence.

Pending the finalisation and execution of the Shareholders and Loan Agreements when the Company will become the registered holder of 65% of the issued capital of SLR Mining Lda, the Company's 65% interest is secured by its contractual rights under the binding Term Sheet with Regius Resources Group Ltd and in turn upon Regius' binding joint venture agreement with SLR Mining Lda.

30 million Mustang ordinary shares (escrowed for 24 months) have been issued and US\$100,000 cash has been paid to Regius Resources Group Ltd as the vendor to the Company of the 65% interest in the Licence, as required by the binding Term Sheet.

For and on behalf of the Company.

Christiaan Jordaan
Managing Director

FOR FURTHER INFORMATION, PLEASE CONTACT:

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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 or 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.

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

About Mustang Resources Ltd (ASX:MUS)

Listed on the Australian Securities Exchange, Mustang Resources Limited (ASX:MUS) is an emerging gemstone developer and producer focused on the near-term development of the highly prospective Montepuez Ruby Project in northern Mozambique.

The Montepuez Ruby Project consists of three licenses covering 15,800 hectares directly adjacent to the world's largest ruby deposit discovered by Gemfields PLC (AIM:GEM) in 2012. Since supply of rubies from sources outside Mozambique has become fractured and unreliable, Mustang stands to capitalise on the current demand around the world for ethically produced rubies by becoming a reliable, consistent supplier of high-quality rubies.

The Company is currently fast-tracking its work program on the Montepuez Ruby Project with high priority targets being identified and low-cost bulk sampling having commenced. Website: www.mustangresources.com.au

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