
MUSTANG RESOURCES LIMITED

ACN 090 074 785

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3:00 pm (AEDT)

DATE: Friday, 24 November 2017

PLACE: The Offices of Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEDT) on 22 November 2017.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017, together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – PETER SPIERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 6.1(e) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Peter Spiers, a Director who was appointed on 23 May 2017, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,800,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,333,333 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – NON-EXECUTIVE DIRECTOR'S REMUNERATION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 6.3(a) of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the maximum total aggregate amount of fees payable to non-executive Directors from \$200,000 per annum to \$400,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 – ENABLE THE ISSUE OF OPTIONS UNDER AN EMPLOYEE INCENTIVE SCHEME

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given to enable the Company to issue equity securities under an employee incentive scheme titled "Mustang Long Term Incentive Plan" on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – ISSUE OF DIRECTOR INCENTIVE OPTIONS – PETER SPIERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Options to Peter Spiers (or his nominee) under the Mustang Long Term Incentive Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Mustang Long Term Incentive Plan, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 9 – ISSUE OF DIRECTOR INCENTIVE OPTIONS AND SHARES – IAN DAYMOND

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 4,500,000 Options and 1,500,000 Shares to Ian Daymond (or his nominee) under the Mustang Long Term Incentive Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Mustang Long Term Incentive Plan, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 17 October 2017

By order of the Board



Robert Marusco
Company Secretary

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9217 2400

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.mustangresources.com.au>

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – PETER SPIERS

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Peter Spiers, having been appointed by other Directors on 23 May 2017 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Mr Spiers has more than 30 years of international experience in the resources industry spanning exploration, mine development, operations and commercial roles. He spent 20 years with Western Mining Corporation (**WMC**), during which time he worked as a senior geologist, project manager and lastly Group Manager – Business Development prior to WMC being acquired by BHP Billiton for A\$9.2 billion.

Recently Mr Spiers was Managing Director of Orbis Gold, an ASX-listed West African gold company which was acquired for A\$170 million in 2015 by SEMAFO Inc. at a 98% bid premium. Mr Spiers is a graduate geologist from the University of Melbourne and a Member of the Australasian Institute of Mining and Metallurgy.

3.3 Independence

Mr Spiers has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the Board considers Mr Spiers will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Mr Spiers and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$84,590,462 (based on the number of Shares on issue and the closing price of Shares on the ASX on 10 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: MUS) and Options (ASX Code: MUSOA).

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 10 October 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.065 50% decrease in Issue Price	\$0.13 Issue Price	\$0.195 50% increase in Issue Price
652,195,864 (Current Variable A)	Shares issued - 10% voting dilution	65,219,586 Shares	65,219,586 Shares	65,219,586 Shares
	Funds raised	\$4,239,273.09	\$8,478,546.18	\$12,717,819.27
978,293,796 (50% increase in Variable A)	Shares issued - 10% voting dilution	97,829,379 Shares	97,829,379 Shares	97,829,379 Shares
	Funds raised	\$6,358,909.64	\$12,717,819.27	\$19,076,728.91
1,304,391,728 (100% increase in Variable A)	Shares issued - 10% voting dilution	130,439,172 Shares	130,439,172 Shares	130,439,172 Shares
	Funds raised	\$8,478,546.18	\$16,957,092.38	\$25,435,638.54

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- There are currently 652,195,864 Shares on issue comprising:
 - 650,695,864 existing Shares as at the date of this Notice of Meeting; and
 - 1,500,000 Shares which will be issued if Resolution 9 is passed at this Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 10 October 2017.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets (funds would then be used for project, feasibility studies and ongoing project administration), general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company did not seek approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 21 November 2016.

As at 10 October 2017, during the 12 month period preceding the date of the Meeting, being on and from 24 November 2016, the Company issued a total of 326,946,660 Shares, 138,664,424 Options and 3 Convertible Notes which represents approximately 118% of the total diluted number of Equity Securities on issue in the Company on 24 November 2016, which was 421,712,153 (comprising 323,749,913 Shares, 83,962,240 Options and 14,000,000 Performance Rights), assuming the Convertible Notes have a principal of \$2,800,000 and a conversion price of \$0.0798 being the principal and most recent conversion price on 4 October 2017.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

4.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES

5.1 General

On 11 August, the Company issued 1,800,000 Shares in consideration for professional services provided to the Company.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 1,800,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of professional services provided by various service providers and consultants;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to service providers, who are not related parties of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration for professional services provided by the parties

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – OPTIONS

6.1 General

On 15 September 2017, the Company issued 3,333,333 Options in consideration for professional capital raising services provided to the Company.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 5.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 3,333,333 Options were issued;
- (b) the Options were issued for nil cash consideration in satisfaction of professional capital raising services provided by Jett Capital Advisors LLC;

- (c) the Options will be issued on the terms and conditions set out in Schedule 2;
- (d) the Options were issued to Jett Capital Advisors LLC, who is not a related party of the Company; and
- (e) no funds raised from this issue as the Options were issued in consideration for professional capital raising services provided by Jett Capital Advisors LLC.

7. RESOLUTION 6 – NON-EXECUTIVE DIRECTORS' REMUNERATION

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Clause 6.3(a) of the Constitution also requires that remuneration payable to the non-executive Directors will not exceed the sum initially set by the Constitution and subsequently increase by ordinary resolution of Shareholders in general meeting.

The maximum aggregate amount of fees payable to all of the non-executive Directors is currently set at \$200,000.

Resolution 6 seeks Shareholder approval to increase this figure by \$200,000 to \$400,000.

This amount includes superannuation contributions made by the Company for the benefit of non-executive Directors and any fees which a non-executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with the Constitution, or securities issued to a non-executive Director under ASX Listing Rule 10.11 or 10.14 with approval of Shareholders.

The maximum aggregate amount of fees proposed to be paid to the non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

Whilst it is not envisaged that the maximum amount sought will be utilised immediately, the proposed limit is requested to ensure that the Company:

- (a) maintains its capacity to remunerate both existing and any new non-executive directors joining the Board;
- (b) remunerates its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) has the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

In the past 3 years, the Company has issued 300,000 Shares to Cobus van Wyk and 400,000 Shares to Ian Daymond, being issues of equity securities to non-executive Directors.

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

8. RESOLUTION 7 – ENABLE THE ISSUE OF SECURITIES UNDER EMPLOYEE INCENTIVE SCHEME

8.1 General

Resolution 7 seeks Shareholders approval to enable the Company to issue equity securities under the employee incentive scheme titled the “Mustang Long Term Incentive Plan” (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Shares under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

8.2 ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue Options, Performance Rights or Shares (**Plan Securities**) under the Plan to Eligible Participants (as defined in Schedule 3) over a period of 3 years from the date of approval without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Any issues of Plan Securities under the Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 8 and 9 for the issue of Plan Securities to certain Directors pursuant to the Plan.

8.3 Previous issues

Shareholders should note that no Plan Securities have previously been issued under the Plan.

8.4 Key terms and conditions of the Plan

A summary of the key terms and conditions of the Plan is set out in Schedule 3. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

A material feature of the Plan is the issue of Shares pursuant to the Plan may be undertaken by way of provision of a non-recourse, interest free loan to be used for the purposes of subscribing for the Shares based on a price that will be not less than the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the date of acceptance of the offer.

9. RESOLUTIONS 8 AND 9 – ISSUE OF DIRECTOR INCENTIVE OPTIONS AND PERFORMANCE RIGHTS TO RELATED PARTIES

9.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 14,500,000 Options and 1,500,000 Shares (**Plan Securities**) to Peter Spiers and Ian Daymond (**Participants**) (or their nominees) on the terms and conditions set out below.

Resolutions 8 and 9 seek Shareholder approval to issue the Plan Securities to the Participants (or their nominees).

9.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Plan Securities constitutes giving a financial benefit and each Participant is a related party of the Company by virtue of being a Director.

The Directors (other than the Participants who each abstained from considering this matter due to their material personal interest in the matter) consider that the issue of the Plan Securities to the Participants (or their nominees) is reasonable remuneration which falls within the exception in section 211 of the Corporations Act having regard to the circumstances of the Company, the duties and responsibilities of the Participants, and accordingly, Shareholder approval is not required for the purpose of section 208 of the Corporations Act.

9.3 ASX Listing Rules

ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

9.4 Technical information required by ASX Listing Rule 10.14

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to Resolutions 8 and 9:

- (a) the maximum number of Plan Securities to be issued to the Participants (or their nominees) is:
 - (i) Resolution 8: 10,000,000 Options to Peter Spiers (or his nominee), being:
 - (A) 5,000,000 Options vesting 12 months after the date of issue subject to the Company's market capitalisation being not less than \$100,000,000 over a period of 20 consecutive trading days and exercisable at \$0.07 each on or before that date which is 3 years after the date of issue; and
 - (B) 5,000,000 Options vesting 24 months after the date of issue subject to the Company's market capitalisation being not less than \$100,000,000 over a period of 20 consecutive trading days and exercisable at \$0.07 each on or before that date which is 3 years after the date of issue.

The quantity, vesting time period, exercise price and expiry date of these Options was agreed upon Peter joining the Board in May 2017 subject to Shareholder approval when the Share price was approximately \$0.05. Subsequently, Peter Spiers has agreed voluntarily to accept the vesting condition related to market capitalisation; and

- (ii) Resolution 9: 4,500,000 Options and 1,500,000 Shares to Ian Daymond (or his nominee), being:
 - (A) 4,500,000 Options vesting subject to the Company's market capitalisation being not less than \$100,000,000 over a period of 20 consecutive trading days within 18 months after the date of issue of the Options and exercisable at 125% above the 30 day VWAP on the date of issue, each on or before that date which is 3 years after the date of issue; and
 - (B) 1,500,000 Shares vesting after 12 months continuous service by Ian Daymond to the Company as a non-executive director after the date of the Meeting.

The terms of the Plan Securities will otherwise be governed by the rules of the Plan;

- (b) the Plan Securities will be issued to the Participants (and/or their nominees) for nil consideration and no consideration will be payable upon the vesting and exercise of the Plan Securities other than the exercise price in respect of the Options being issued to the Participants. Accordingly, no loans will be made in relation to, and no funds will be raised from, the issue or vesting of the Plan Securities;

- (c) the Plan and issue of Plan Securities under the Plan has not previously been approved. Accordingly, no Plan Securities have been issued under the Plan to persons referred to in ASX Listing Rule 10.14 (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained).
- (d) as at the date of this Notice, all Directors are entitled to participate in the Plan; and
- (e) the Plan Securities will be issued to the Participants (and/or their nominees) no later than 12 months after the Meeting.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Plan Securities to the Participants (and/or their nominees) as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Plan Securities pursuant to Resolutions 8 and 9 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

9.5 Board recommendations

The Plan Securities the subject of Resolution 8 are considered by the Directors, excluding Peter Spiers, to be appropriate and fair in addition to standard director's fees, and were considered necessary to attract Peter to the Board, to recognise his calibre as a very experienced geologist and public company director, and to provide a strong, effective and long-term incentive for him to create shareholder wealth.

The Plan Securities the subject of Resolution 9 are considered by the Directors, excluding Ian Daymond, to be appropriate and fair in addition to standard director's fees for Ian's outstanding efforts, independence and leadership (as a non-executive independent Director since 31 July 2014 and as Chairman for the past two years) above and beyond his normal duties as a Director and in a period of time which has seen the market capitalisation of the Company grow substantially from being a company involved in the oil and gas sector in the USA to being a significant ruby explorer in Mozambique. Ian has staunchly supported the Company through some very difficult periods and provided invaluable contributions in the re-listing of the Company in July 2015, in the acquisition of all the present assets of the Company and has implemented and overseen corporate governance within the Company. The Plan Securities proposed to be issued to him will also serve to provide a strong, effective and long-term incentive for further creation of substantial shareholder wealth.

GLOSSARY

10% Placement Capacity has the meaning given in Section 4.1.

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Board means the current board of directors of the Company.

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.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Mustang Resources Limited (ACN 090 074 785).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Performance Right means a right to acquire a Share on the terms set out in the Plan for a specified performance period and subject to satisfaction of a specified performance hurdle.

Plan means the Mustang Long Term Incentive Plan as summarised in Schedule 3.

Plan Securities means an Option, Performance Right or Share issued pursuant to the Plan.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 24 NOVEMBER 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 4 October 2017 Appendix 38 – 4 October 2017	99,330	Shares ²	Holders of Unquoted Options	\$0.0273 per Share on exercise of Unquoted Options ¹⁷ (representing a 79% discount to Market Price)	Cash Amount raised = \$2,711 Amount spent = \$2,711 Use of funds: to meet costs associated with bulk sampling activities and to fund an accelerated auger drilling program at the Montepuez Ruby Project, and for general working capital Amount remaining = \$Nil Proposed use of remaining funds: ¹¹ N/A
Issue – 4 October 2017 Appendix 38 – 4 October 2017	12,531,328	Shares ²	Arena Structured Investments LLC	Nil cash consideration (issued on conversion of \$800,000 of the value of the Second Tranche Convertible Note). ⁴	Non-cash Consideration: Issued on conversion of \$800,000 of the value of the Second Tranche Convertible Note Current value ¹² = \$1,629,072
Issue – 27 September 2017 Appendix 38 – 27 September 2017	8,237,232	Shares ²	Arena Structured Investments LLC	Nil cash consideration (issued on conversion of \$500,000 of the value of the Second Tranche Convertible Note). ⁴	Non-cash Consideration: Issued on conversion of \$500,000 of the value of the Second Tranche Convertible Note Current value ¹² = \$1,070,840
Issue – 19 September 2017 Appendix 38 – 19 September 2017	15,243,902	Shares ²	Arena Structured Investments LLC	Nil cash consideration (issued on conversion of \$50,000 of the value of the First Tranche Convertible Note and \$700,000 of the value of the Second Tranche Convertible Note). ⁴	Non-cash Consideration: Issued on conversion of \$50,000 of the value of the First Tranche Convertible Note and \$700,000 of the value of the Second Tranche Convertible Note Current value ¹² = \$1,981,707
Issue – 15 September 2017 Appendix 38 – 15 September 2017	28,688,524	Shares ²	Arena Structured Investments LLC	Nil cash consideration (issued on conversion of \$1,400,000 of the value of the First Tranche Convertible Note). ⁴	Non-cash Consideration: Issued on conversion of \$1,400,000 of the value of the First Tranche Convertible Note Current value ¹² = \$3,729,508

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹⁾	Form of consideration
Issue – 15 September 2017 Appendix 38 – 15 September 2017	1,000,000	Shares ²⁾	HFI Limited	\$0.06 per Share on exercise of Unquoted Options ¹⁷⁾ (representing a 22% discount to Market Price)	Cash Amount raised = \$60,000 Amount spent = \$60,000 Use of funds: to meet costs associated with bulk sampling activities and to fund an accelerated auger drilling program at the Montpezuez Ruby Project, and for general working capital Amount remaining = \$Nil Proposed use of remaining funds: ¹¹⁾ N/A
Issue – 15 September 2017 Appendix 38 – 15 September 2017	13,333,333	Unquoted Options ¹³⁾	Arena Structured Investments LLC	No issue price (issued upon the occurrence of the issue of the Third Convertible Note) ¹⁸⁾	Non-cash Consideration: Issued upon the issue of the Third Convertible Note in accordance with the terms of the Convertible Note Facility. ¹⁸⁾ Current value ¹²⁾ = \$506,419
Issue – 15 September 2017 Appendix 38 – 15 September 2017	3,333,333	Unquoted Options ¹⁴⁾	Jeff Capital Advisors LLC	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for the corporate advisory services provided to the Company. Current value ¹²⁾ = \$129,699
Issue – 15 September 2017 Appendix 38 – 15 September 2017	1	Second Tranche Convertible Note with a face value of \$2,000,000 ¹⁵⁾	Arena Structured Investments LLC	\$1,700,000 (unquoted security so a discount to Market Price is not applicable)	Cash Amount raised = \$1,700,000 Amount spent = \$1,700,000 Use of funds: to meet costs associated with bulk sampling activities and to fund an accelerated auger drilling program at the Montpezuez Ruby Project, and for general working capital Amount remaining = \$Nil Proposed use of remaining funds: ¹¹⁾ N/A

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹⁾	Form of consideration
Issue – 15 September 2017 Appendix 38 – 15 September 2017	1	Third Tranche Convertible Note with a face value of \$3,000,000 ^{1,6}	Arena Structured Private Investments LLC	\$2,550,000 (unquoted security so a discount to Market Price is not applicable)	Cash Amount raised = \$2,550,000 Amount spent = \$2,550,000 Use of funds: to meet costs associated with bulk sampling activities and to fund an accelerated auger drilling program at the Montepuez Ruby Project, and for general working capital Amount remaining = \$Nil Proposed use of remaining funds: ¹⁾ N/A
Issue – 8 September 2017 Appendix 38 – 8 September 2017	2,310,516	Shares ²	Holders of Unquoted Options	\$0.0273 per Share on exercise of unquoted Options (representing a 68% discount to Market Price)	Cash Amount raised = \$63,077 Amount spent = \$63,077 Use of funds: to meet costs associated with bulk sampling activities and to fund an accelerated auger drilling program at the Montepuez Ruby Project, and for general working capital Amount remaining = \$Nil Proposed use of remaining funds: ¹⁾ N/A
Issue – 8 September 2017 Appendix 38 – 8 September 2017	11,270,491	Shares ²	Holder of the Convertible Note ⁴ – Arena Structured Private Investments LLC	Nil cash consideration (issued on conversion of \$550,000 of the value of the First Tranche Convertible Note). ⁴	Non-cash Consideration: Issued on conversion of \$550,000 of the value of the First Tranche Convertible Note Current value ^{1,2} = \$1,465,163

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹⁾	Form of consideration
Issue – 8 September 2017 Appendix 38 – 8 September 2017	1	First Tranche Convertible Note with a face value of \$2,000,000 ⁴	Arena Structured Private Investments LLC	\$1,700,000 (unquoted security so a discount to Market Price is not applicable)	Cash Amount raised = \$1,700,000 Amount spent = \$1,700,000 Use of funds: to meet costs associated with bulk sampling activities and to fund an accelerated auger drilling program at the Montepuez Ruby Project, and for general working capital Amount remaining = \$Nil Proposed use of remaining funds: ¹⁾ N/A
Issue – 11 August 2017 Appendix 38 – 11 August 2017	3,896,104	Shares ²	Sophisticated and professional investors, being clients of Hartleys and Jett Capital LLC	\$0.077 per Share (representing a 65% discount to Market Price)	Cash Amount raised = \$300,000 Amount spent = \$300,000 Use of funds: to meet costs associated with the acquisition of the 65% interest in ruby licence 8245L, for increased bulk sampling activities and to fund an accelerated auger drilling program at the Montepuez Ruby Project, and for general working capital purposes Amount remaining = \$Nil Proposed use of remaining funds: ¹⁾ N/A
Issue – 11 August 2017 Appendix 38 – 11 August 2017	1,800,000	Shares ²	Audium Pty Ltd	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for the corporate advisory services provided to the Company Current value ¹² = \$234,000
Issue – 31 July 2017 Appendix 38 – 31 July 2017	729,771	Unquoted Options ³	Jett Capital Advisors LLC	No issue price (non-cash consideration).	Non-cash Consideration: issued in consideration for the corporate advisory services provided to the Company for capital raisings in December 2016, February 2017 and July 2017. Current value ¹² = \$18,972

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹⁾	Form of consideration
Issue – 31 July 2017 Appendix 38 – 31 July 2017	1,519,559	Unquoted Options ⁵⁾	Jett Capital Advisors LLC	No issue price (non-cash consideration).	Non-cash Consideration: issued in consideration for the corporate advisory services provided to the Company for capital raisings in December 2016, February 2017 and July 2017. Current value ¹²⁾ = \$26,770
Issue – 31 July 2017 Appendix 38 – 31 July 2017	2,181,818	Unquoted Options ⁶⁾	Jett Capital Advisors LLC	No issue price (non-cash consideration).	Non-cash Consideration: issued in consideration for the corporate advisory services provided to the Company for capital raisings in December 2016, February 2017 and July 2017. Current value ¹²⁾ = \$46,574
Issue – 27 July 2017 Appendix 38 – 27 July 2017	38,709,677	Unquoted Options ⁷⁾	Arena Structured Investments LLC Private	No issue price (non-cash consideration).	Non-cash Consideration: issued in consideration for the satisfaction of obligations under the Convertible Note Deed. Current value ¹²⁾ = \$843,514
Issue – 21 June 2017 Appendix 38 – 21 June 2017	4,761,905	Shares ²⁾	Holders of Quoted Options ⁸⁾	\$0.035 per Share on exercise of Quoted Options (representing a 22% discount to Market Price)	Cash Amount raised = \$166,666 Amount spent = \$166,666 Use of funds: to meet costs associated with the continuing development of the Montepuez Ruby Project, Balama Graphite Project and for general working capital purposes. Amount remaining = \$Nil Proposed use of remaining funds: ¹¹⁾ N/A
Issue – 21 June 2017 Appendix 38 – 21 June 2017	322,087	Shares ²⁾	Hartleys Limited	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for the professional services provided to the Company in relation to capital raisings conducted by the Company. Current value ¹²⁾ = \$41,871

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 21 June 2017 Appendix 38 – 21 June 2017	681,808	Shares ²	S3 Consortium Pty Ltd	No issue price (non-cash consideration)	Non-cash Consideration: issued in consideration for the professional services provided to the Company in relation to capital raisings conducted by the Company. Current value ^{1,2} = \$88,635
Issue – 21 June 2017 Appendix 38 – 21 June 2017	3,000,000	Unquoted Options ⁹	Union Square Capital Advisors	No issue price (non-cash consideration).	Non-cash Consideration: issued in consideration for corporate advisory services provided to the Company in relation to capital raisings conducted by the Company. Current value ^{1,2} = \$89,635
Issue – 21 June 2017 Appendix 38 – 21 June 2017	3,000,000	Unquoted Options ¹⁰	Union Square Capital Advisors	No issue price (non-cash consideration).	Non-cash Consideration: issued in consideration for corporate advisory services provided to the Company in relation to capital raisings conducted by the Company. Current value ^{1,2} = \$99,408
Issue – 6 June 2017 Appendix 38 – 6 June 2017	30,000,000	Shares ²	Regius Resources Group Ltd (or its nominee)	No issue price (non-cash consideration).	Non-cash Consideration: consideration for the acquisition of the interest of Regius Resources Group Ltd in a joint venture agreement which holds a 65% interest in ruby licence 8245L in Mozambique. Current value ^{1,2} = \$3,900,000

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹⁾	Form of consideration
Issue – 31 May 2017 Appendix 3B – 31 May 2017	3,896,110	Shares ²⁾	Sophisticated and professional investors, being clients of Hartleys and Jett Capital LLC	\$0.077 per Share (representing a 92.5% premium to the Market Price)	Cash Amount raised = \$300,000 Amount spent = \$300,000 Use of funds: to meet costs associated with the acquisition of the 65% interest in ruby licence 8245L, for increased bulk sampling activities and to fund an accelerated auger drilling program at the Montepuez Ruby Project, and for general working capital purposes Amount remaining = \$Nil Proposed use of remaining funds: ¹⁾ Nil
Issue – 17 March 2017 Appendix 3B – 17 March 2017	234,128	Shares ²⁾	Holders of Unquoted Options ³⁾	\$0.0273 per Share on exercise of Unquoted Options (representing a 65% discount to Market Price)	Cash Amount raised = \$6,391 Amount spent = \$6,391 Use of funds: to meet costs associated with the continuing development of the Montepuez Ruby Project, Balama Graphite Project and for general working capital purposes. Amount remaining = \$Nil Proposed use of remaining funds: ¹⁾ N/A
Issue – 9 March 2017 Appendix 3B – 9 March 2017	68,572,467	Shares ²⁾	US institutional investors and Australian sophisticated investors	\$0.077 per Share (representing a 3% discount to Market Price)	Cash Amount raised = \$5,280,079 Amount spent = \$5,280,079 Use of funds: to meet costs associated with the acquisition of the 65% interest in ruby licence 8245L, for increased bulk sampling activities and to fund an accelerated auger drilling program at the Montepuez Ruby Project, and for general working capital purposes Amount remaining = \$Nil Proposed use of remaining funds: ¹⁾ N/A

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹⁾	Form of consideration
Issue – 24 January 2017 Appendix 3B – 24 January 2017	84,840,008	Shares ²⁾	US and Australian sophisticated investors	\$0.021 per Share (representing a 63% discount to Market Price)	Cash Amount raised = \$1,781,640 Amount spent = \$1,781,640 Use of funds: further development of the Company's Monepuez Ruby Project in Mozambique, providing the Company with the ability to accelerate production volumes and ruby recoveries, achieve first ruby sales and aggressively expand the deposit through an auger drilling program. Amount remaining = \$Nil Proposed use of remaining funds: ¹⁾ N/A
Issue – 24 January 2017 Appendix 3B – 24 January 2017	66,700,000	Quoted Options ³⁾	US institutional investors and Australian sophisticated investors	No issue price (issued free attaching to Shares on a 1:2 basis).	Non-cash Consideration: Issued free attaching to Shares subscribed for in the placement undertaken by the Company Current value ^{1,2)} = \$7,337,000
Issue – 24 January 2017 Appendix 3B – 24 January 2017	6,156,933	Unquoted Options ⁵⁾	Jeff Capital LLC and Hartleys	No issue price (non-cash consideration).	Non-cash Consideration: consideration for advisory services provided to the Company in relation to the placement undertaken by the Company. Current value ^{1,2)} = \$131,953
Issue – 22 December 2016 Appendix 3B – 22 December 2016	48,560,000	Shares ²⁾	US institutional investors and Australian sophisticated investors	\$0.021 per Share (representing a 9% discount to Market Price)	Cash Amount raised = \$1,019,760 Amount spent = \$1,019,760 Use of funds: further development of the Company's Monepuez Ruby Project in Mozambique, providing the Company with the ability to accelerate production volumes and ruby recoveries, achieve first ruby sales and aggressively expand the deposit through an auger drilling program. Amount remaining = \$Nil Proposed use of remaining funds: ¹⁾ N/A

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: MUS (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.0273 each, on or before 25 January 2020. The full terms and conditions were disclosed in the notice of meeting for the shareholder meetings held on 20 January 2017 and 1 September 2017.
4. The First Tranche Convertible Note is part of a four tranche Convertible Note Facility with Arena Structured Private Investments LLC. The First Tranche Convertible Note will convert into Shares at the conversion price, being the higher of the lowest 1 day Volume Weighted Average Price (**VWAP**) during the 20 trading day period ending on the last trading day before the applicable conversion date, and the floor price of \$0.005. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 1 September 2017.
5. Unquoted Options, exercisable at \$0.10 each, on or before 9 March 2020. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 1 September 2017.
6. Unquoted Options, exercisable at \$0.0715 each, on or before 20 July 2020. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held 1 September 2017.
7. Unquoted Options, exercisable at \$0.062 each, on or before 20 July 2020. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 1 September 2017.
8. Quoted Options, exercisable at \$0.035 each, on or before 25 January 2020, ASX Code: MUSOA.
9. Unquoted Options, exercisable at \$0.15 each, on or before 31 March 2020. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 1 September 2017.
10. Unquoted Options, exercisable at \$0.20 each, on or before 31 March 2020. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 1 September 2017.
11. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
12. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.13) or Options (\$0.11) as the context requires on the ASX on 10 October 2017. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).
13. Unquoted Options, exercisable at \$0.117 each, on or before 20 July 2020. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 1 September 2017.
14. Unquoted Options, exercisable at \$0.117 each, on or before 15 September 2020. The full terms and conditions are disclosed in Schedule 2 of this Notice of Annual General Meeting.
15. The Second Tranche Convertible Note will convert into Shares at the conversion price, being the higher of the lowest 1 day Volume Weighted Average Price (**VWAP**) during the 20 trading day period ending on the last trading day before the applicable conversion date, and the floor price of \$0.005. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 1 September 2017.

16. The Third Tranche Convertible Note will convert into Shares at the conversion price, being the higher of the lowest 1 day Volume Weighted Average Price (**VWAP**) during the 20 trading day period ending on the last trading day before the applicable conversion date, and the floor price of \$0.005. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 1 September 2017.
17. Unquoted Options exercisable at \$0.06 each, on or before 31 December 2017. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 21 November 2016.
18. The Convertible Note Facility provides that the noteholder will be entitled to an issue of Options upon the issue of the Third Convertible Notes. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 1 September 2017.

SCHEDULE 2 – TERMS OF OPTIONS

1. Subject to section 7, each Option entitles the holder to one Share in the capital of the Company.
2. The Options may be exercised at any time prior to 5:00pm (WST) on 15 September 2020 (**Expiry Date**).
3. Subject to section 8, the exercise price of the Options is \$0.117 (**Exercise Price**).
4. To exercise the Options, the Option holder must duly complete, execute and deliver to the Company an exercise notice in the form attached as Exhibit A (**Notice of Exercise**). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the Expiry Date. The Notice of Exercise must, among other things, state the number of Options exercised and the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the Exercise Price per Share.
5. All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to ASX in accordance with the Listing Rules for all Shares issued pursuant to the exercise of the Options to be admitted to quotation.
6. There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. The Option holder has no rights to a change in the Exercise Price or a change to the number of underlying securities over which the Option can be exercised other than in relation to a Bonus Issue.
7. If there is a bonus issue (**Bonus Issue**) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
8. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.
9. The Options are transferable, subject to any transfer restrictions imposed by ASX or under applicable securities laws.
10. The Options may not be exercised by or on behalf of a person in the United States unless the Options and the underlying Shares have been registered under the United State Securities Act of 1933, as amended, and applicable state securities laws, or exemptions from such registration requirements are available.

SCHEDULE 3 – SUMMARY OF KEY TERMS AND CONDITIONS OF THE MUSTANG LONG TERM INCENTIVE PLAN

Item	Summary
Eligibility	Offers may be made at the discretion of the Board to employees of the Company or any other person that the Board determines to be eligible to receive a grant under the Plan.
Types of securities	<p>The Plan Rules provide flexibility for Mustang to grant one or more of the following securities as incentives, subject to the terms of individual offers:</p> <ul style="list-style-type: none"> • options; • performance rights; or • performance shares. <p>Options are straightforward, they are an entitlement for the holder to receive a share on satisfaction of relevant vesting conditions, by paying an applicable exercise price. Typically, the vesting conditions for an option plan are limited to time based hurdles.</p> <p>A performance right is effectively a zero-priced option that vests subject to the satisfaction of relevant vesting conditions. The vesting conditions are typically a combination of time and performance-based milestones. The Board has discretion to determine the vesting conditions (and particularly any performance based hurdles such as TSR metrics) for each individual grant.</p> <p>Performance Shares are not dissimilar to performance rights, although the share is issued up-front (for nil consideration) and is subject to buy-back/forfeiture arrangements should the relevant vesting conditions (including performance base metrics) not be met.</p>
Offers under the Plan	<p>Unless otherwise specified in an offer document, the Board has the discretion to settle performance rights or options with a cash equivalent payment.</p> <p>The Board may make offers at its discretion and any offer documents must contain the information required by the Plan Rules. The Board has the discretion to set the terms and conditions on which it will offer options, performance rights and performance shares in individual offer documents.</p>
Issue price	Unless the Board determines otherwise, no payment is required for a grant (as opposed to exercise) of an option, performance right or performance share under the Plan.
Vesting	<p>Options must be exercised by the employee and the employee is required to pay the exercise price to be allocated Shares.</p> <p>Vesting of options, performance rights and performance shares under the Plan is subject to any vesting or performance conditions determined by the Board and specified in the offer document.</p>
Lapsing and forfeiture	Subject to the rules of the Plan (Rules) and the terms of the specific offer document, any option, performance rights or performance shares will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.

Item	Summary
Cessation of employment	Under the Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is proposed that individual offer documents will provide more specific detail on how the entitlements will be treated if the participating employee ceases employment.
Clawback and preventing inappropriate benefits	The Rules provide the Board with customary "clawback" powers if, amongst other things, the participant has acted fraudulently or dishonestly, engaged in gross misconduct or if the participant's entitlements vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.
Change of control	The Board may determine that all or a specified number of a participant's options, performance rights or performance shares will vest or cease to be subject to restrictions where there is a change of control event in accordance with the Rules. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated on a change of control.

