



An Emerging Gemstone and Graphite Explorer in Mozambique



ASX: MUS

AGM Presentation November 2017

Overview For The Year: Ruby Project



- Mustang is the only listed ruby miner in the world
- Accelerated exploration through drilling pitting, trenching and bulk sampling
- Increased bulk sampling processing plant to ~200 tons per hour (~1,500tpd)
- Recovering consistent medium to high quality rubies per day through Bulk Sampling from different trenches.
- Established Artisanal Miner Development Program (AMDP)
- Held first Rough Ruby Auction to test the market
- Developed proprietary grading system

Photo credit: Vincent Pardieu with consent

What Happened at the Auction?



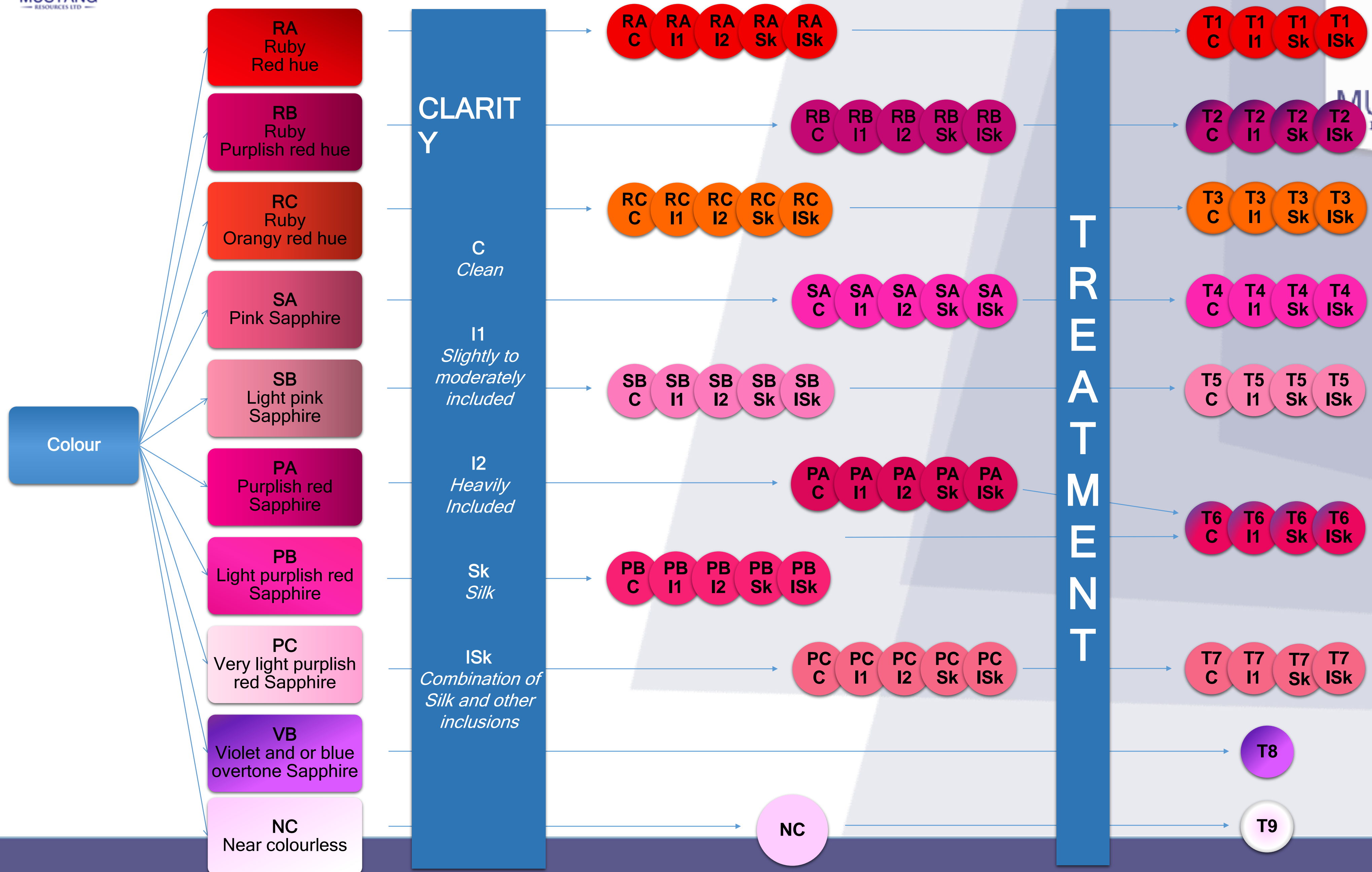
- First Market Test
- Large scale auction was the only way to get the majority of buyers together.
- The October 2017 auction was conducted on similar high standards as auctions held in Singapore by major competitor
- The initial grading system developed by expert consultants did not meet buyer expectations.
- Buyers provided valuable feedback to Mustang gemologists and explained what they need. Market is fractured and different buyers trade in different qualities, quantities and sizes.
- Mustang's grading division has now developed a highly definitive grading system out of the experience from the tender.
- Mustang will have a few small test sales via private tenders in Asia in next months.
- Market intelligence assisting management to focus exploration on the best deposits



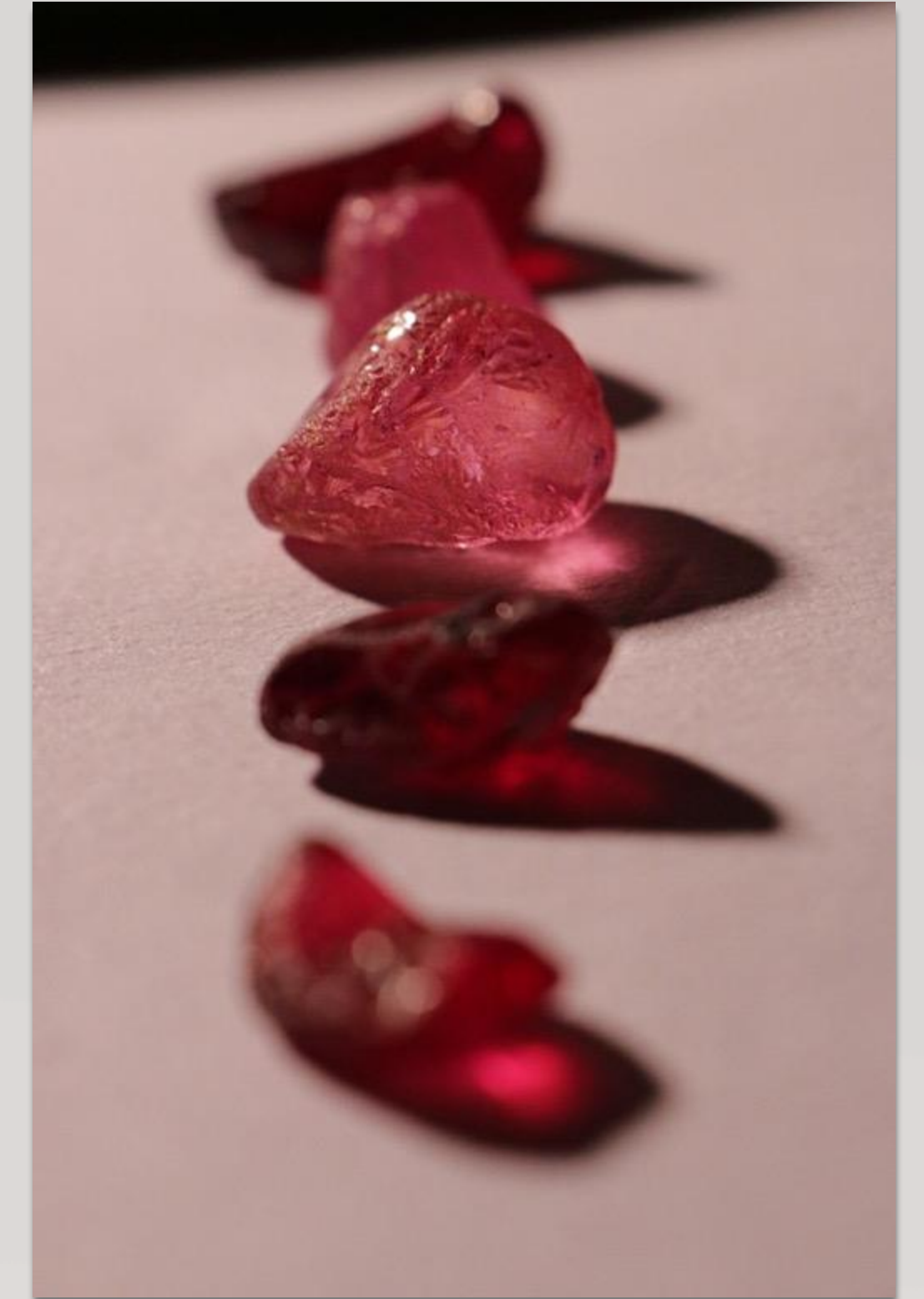
AUCTION GRADING SYSTEM



Grade	Description
HQ1	Ruby - colour red to vivid red / Medium to medium dark tone / Clarity - clean to slightly included
HQ2	Ruby - colour red to intense red / Medium to medium dark tone / Clarity - clean to slightly included
HQ3	Ruby and Sapphire - colour medium pink to hot pink / Medium light to medium dark tone Clarity - clean to slightly included
HQ4	Ruby & Sapphire - colour HQ1 with strong violet modifying hue and/or medium dark to dark tone / Clarity - clean to slightly included
HQ5	Ruby & Sapphire - colour HQ2-3 with strong violet modifying hue and/or dark tone Clarity - clean to slightly included
HQ6	Sapphire - colour pink to violet and blue / Light tone / Clarity - clean to slightly included
HQ7	Ruby - colour HQ 1-2-3-4-5 / Clarity - moderate to heavy SILK
HQ8	Sapphire - colour HQ 6 / Clarity - moderate to heavy SILK
HQ9	Ruby & Sapphire - colour HQ1-2-3-4-5 / Clarity - moderately included
HQ10	Sapphire - colour HQ 6 / Clarity - moderately included
HQ11	Ruby & Sapphire - colour HQ1-2-3-4-5-6 / Clarity - heavily included
PQ1	Ruby & Sapphire - colour HQ1-2-3-4-5 / Clarity - all / Size under 1ct
PQ2	Ruby & Sapphire - colour HQ6 / Clarity - all / Size under 1ct



Montepuez Ruby Project



Montepuez - A World-Class Gem Field



- The Montepuez region in Mozambique is ideally positioned to rapidly secure a substantial share of the lucrative global ruby market
- Commercial potential highlighted by Gemfields' success in generating US\$335 million in ruby sales up to November 2017
- Montepuez gaining global prominence as the supply of equivalent quality rubies from Burma (Mogok) is very scarce
- Montepuez region produces a wide variety of qualities for each of the different market segments
- Vast majority gem/facet quality rubies come from secondary deposits (colluvial/elluvial)
 - **Mustang (and its prospecting teams) only mine secondary deposits at present**
- The Montepuez ruby field is very extensive, offering prospects of long mine lives
 - Mustang holds 193sqkm of highly prospective ground
- Montepuez ruby deposits are typically <15m from surface, free-digging and simple to process with potential for good in-situ grades
 - Formula for low-cost, high-margin mining operations



A world-class ruby deposit, brought to global prominence by our neighbour, Gemfields PLC

Montepuez Ruby Project - Development



- **STRATEGY:** Systematically build a resource base & generate revenue whilst doing so
 - Auger drilling + bulk sample + auction/tender sales = JORC Resource
- +1,500tpd (~328,000tpa) current processing capacity, up from ~300tpd (average) in January 2017
- New high-grade and shallow ruby deposits excavated (~90,000 tonne stockpile) and being processed in coming months- **ruby inventory expected to increase further**
- Initial processing of material from highly prospective new deposits within new licence delivering exceptional results
- Exploration campaign will continue with goal of estimating mine life with results of bulk sampling over next 6-12 months helping to establish average grades
- Started process of converting exploration and prospecting licences to mining concessions with tenure of 25 years (renewable)



Montepuez Ruby Project - New Discovery



- Initial bulk sample confirms significant new ruby discovery on recently acquired licence
- Shallow secondary deposit, with initial bulk sampling delivering gem quality rubies
- Consistent recovery of stones classed in the premium category
- Extensive secondary ruby mineralisation proven over 3,300m strike (open ended)



Montepuez Ruby Project - Local Communities

Artisanal Miner Development Program



Montepuez Ruby Project - Milestones



July 2017:
Upgraded
Processing
Plant

October 2017:
1st
auction/tender

Q1 2018:
Smaller
Market Test
Sales

H1 2019(est.):
Maiden JORC
Resource



Caula Graphite Project

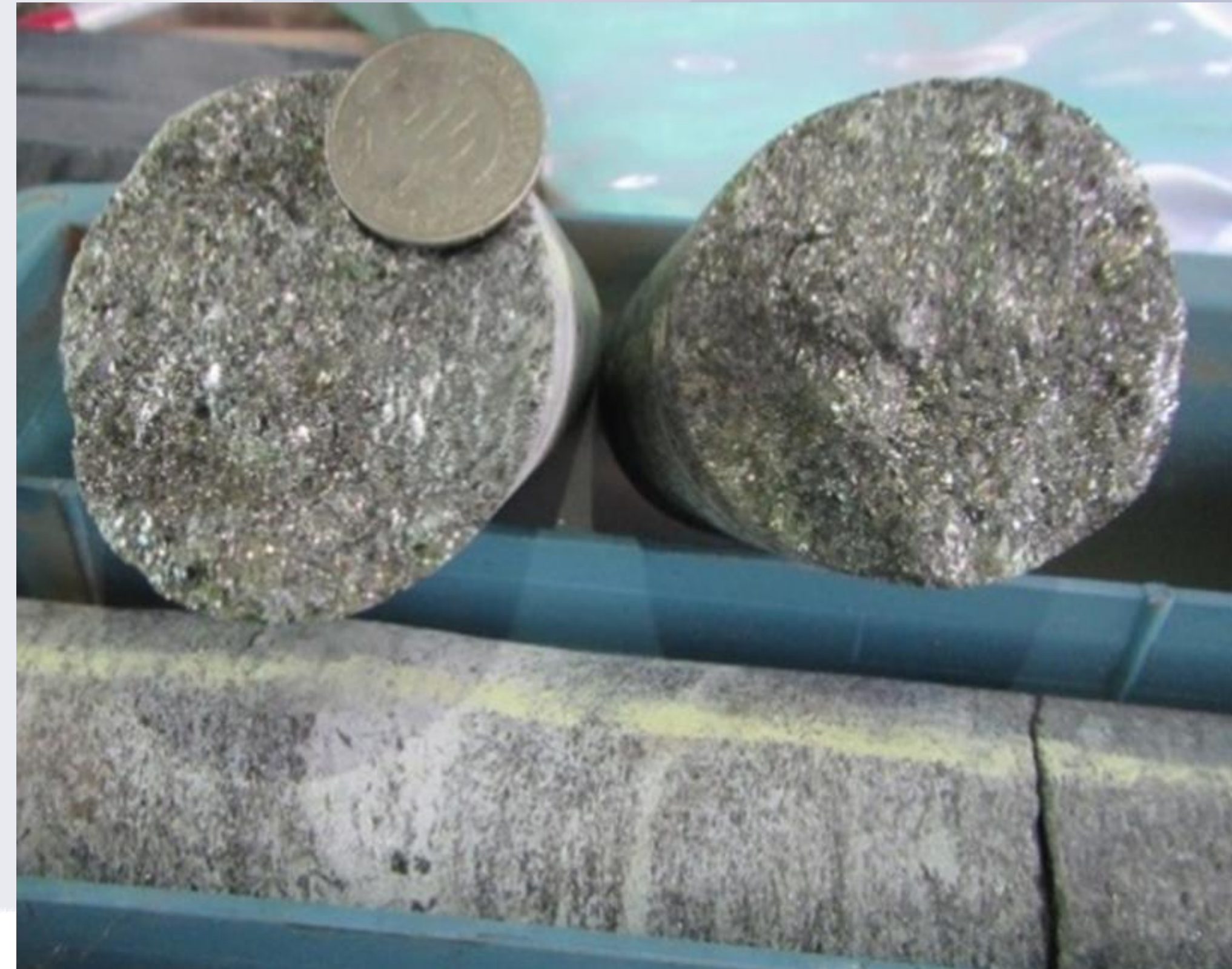
A Spectacular High Grade Graphite Discovery



Overview For Year: Graphite Project



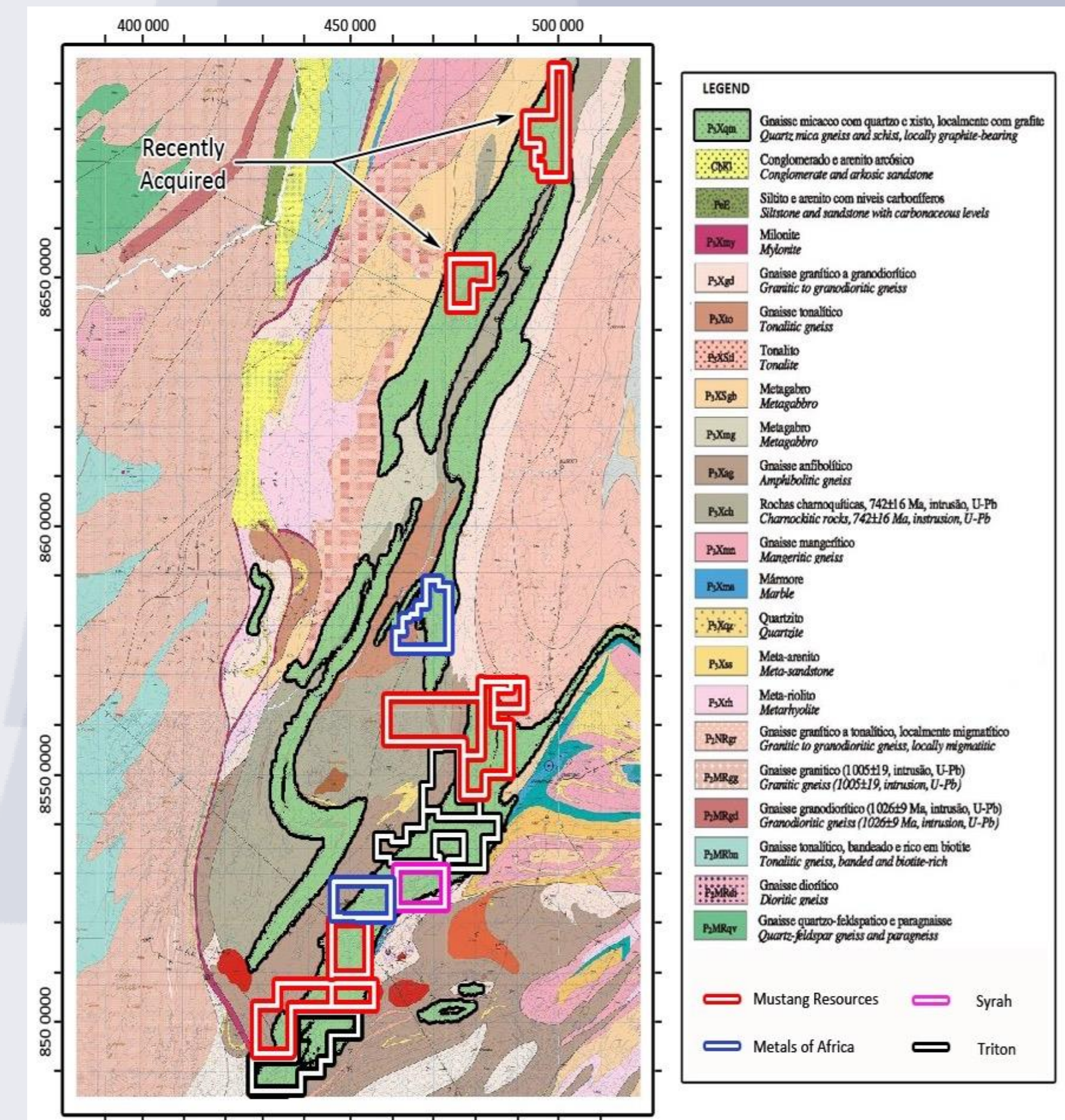
- Completed Electro Magnetic Survey and Interpretation
- Completed reconnaissance drilling on all concessions to identify highest potential Graphite anomaly.
- Completed comparison of all the different deposits on the different concessions
- Established Caula as world class deposit with up to 26%TGC and 50% jumbo + large flake sizes.
- Announced maiden JORC inferred mineral resource
- Continuing to drill on Caula to increase resource size and confidence.



Caula Graphite Project - Overview



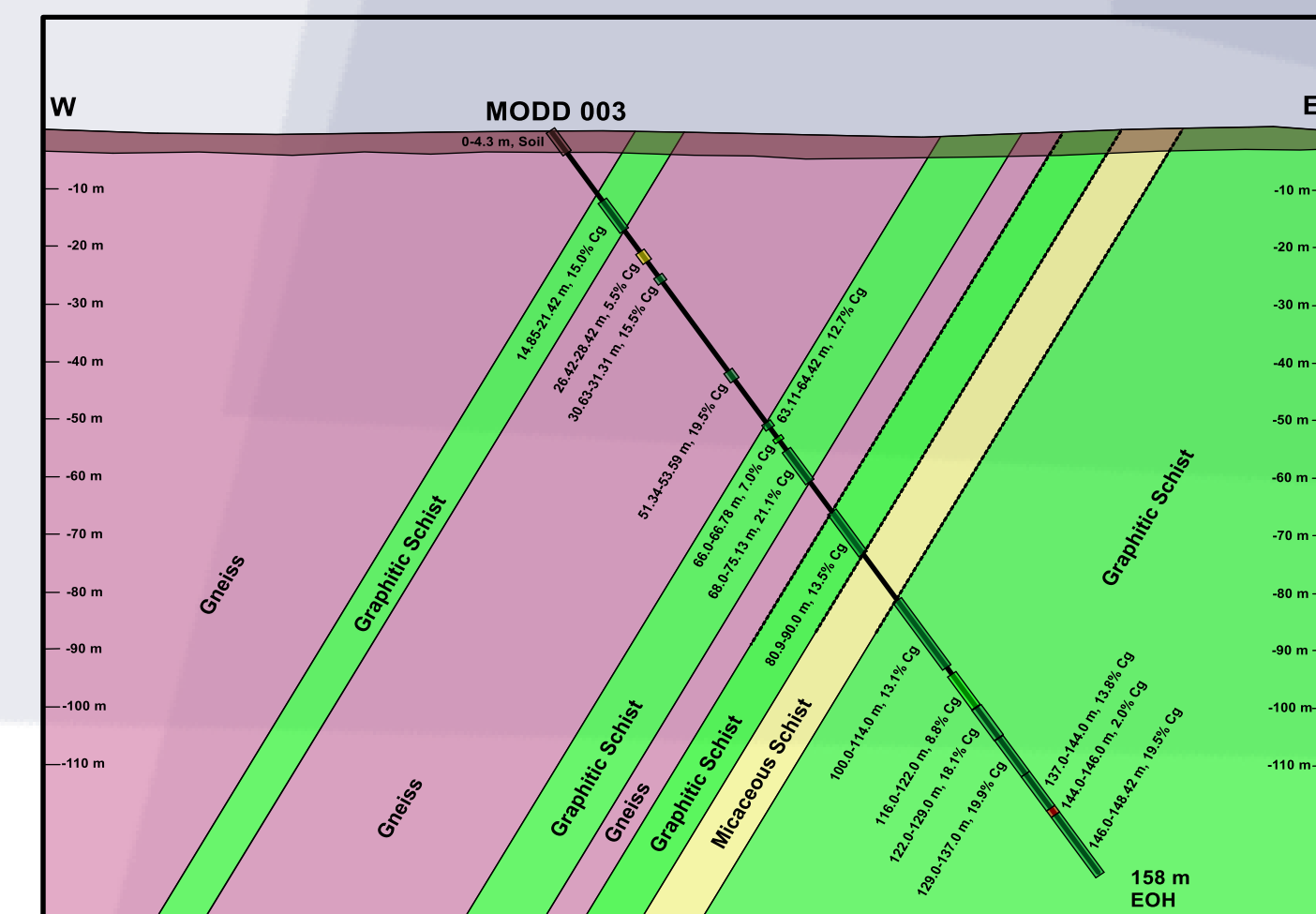
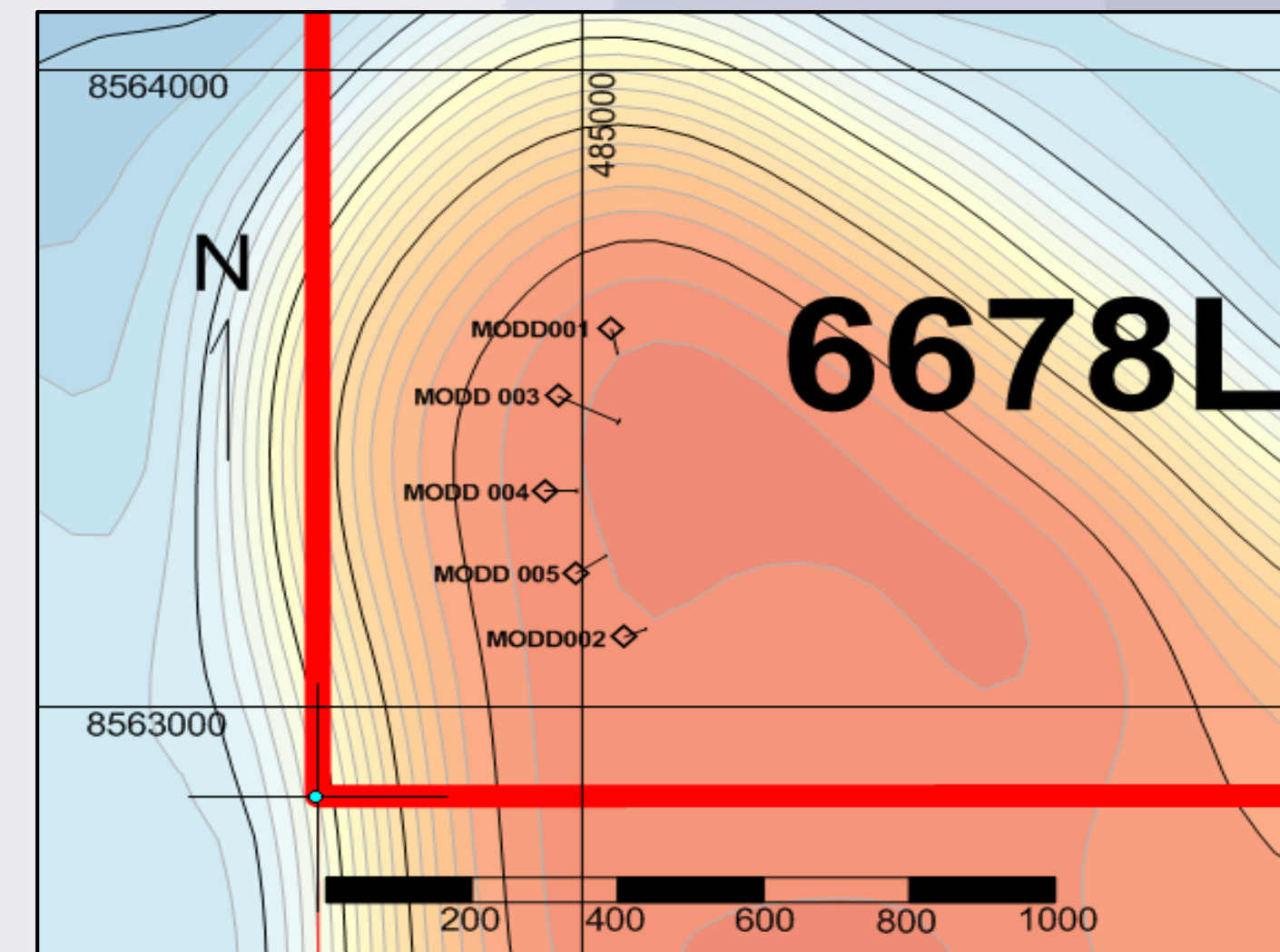
- Caula Project (licence 6678L) located along strike from world-class Syrah Resources (ASX: SYR) deposit
- Extremely high-grade results over extensive widths from diamond drilling completed in Dec 2016
- Exploration program confirmed wide, high grade intervals of up to **26% Total Graphitic Carbon (TGC)**
- Preliminary metallurgical testing & product optimisation just completed with SGS Perth
- Maiden JORC Resource on Caula announced in October 2017
- **Caula will be one of the highest-grade graphite deposits in the world with >55% Large & Jumbo flakes in fresh ore**
- High grade will enable Mustang to generate a top-quality product at a low cost, maximising margins and providing protection against any price volatility
- Company holds interest in six additional graphite licences in Mozambique (“Balama Graphite Project”)



Caula Graphite Project

Targeting a High Grade Graphite Resource

- Spectacular grades of up to 26% Total Graphitic Carbon (TGC) demonstrate potential for Caula to become a low-cost supplier to the lithium battery industry
- Results include:
 - MODD 001: 40m at 15.9%TGC (inc. multiple intersections of 24-25% TGC)
 - MODD 002: 14m at 12.9%TGC (inc. multiple intersections of 21-23% TGC)
 - MODD 003: 87m at 15.2% TGC (inc. multiple intersections of 25-26% TGC)
 - MODD 004: 63m at 12.1% TGC (inc. multiple intersections of 22-25% TGC)
 - MODD 005: 63m at 11.1% TGC (inc. multiple intersections of 21-22% TGC)
- Inferred JORC Mineral Resource of 5.4million tonnes @ 13% TGC (6% cut-off) for 702,600 tonnes of contained graphite
- Extensive resource upside through additional drilling



Caula Graphite Project & Drill hole MODD-003

Caula Graphite Project

Superior Metallurgy Proven with Prelim Testing



- Metallurgical tests have produced high-grade concentrates (>95% TGC) and exceptional recoveries (96% recovery from fresh rock composite sample) from the Caula Graphite Project
- More than 55% of the fresh graphite assayed has been classed as Jumbo and Large Flake (46% classed as Jumbo and Large Flake for fresh and oxide composites combined)
- Tests were conducted using a simple, conventional flowsheet processing samples with ~13% Total Graphitic Carbon (TGC) head grade
- Results demonstrate Caula's potential to be a low-cost supplier to the expandable graphite and lithium ion battery industries
- The TGC recoveries of both samples are expected to improve with:
 - Further flowsheet optimisation.
 - Recycling of intermediate tailings streams during locked cycle testing. Current testwork was carried out under open circuit conditions with reported recoveries excluding graphite from intermediate tailings streams.

Graphite Product	Size Fraction	Fresh Composite			Oxide Composite		
		Mass	TGC	TC	Mass	TGC	TC
	µm	%	%	%	%	%	%
Jumbo Flake	300	23.8%	97.90	98.00	13.2%	97.20	97.50
Large Flake	180	31.2%	97.26	97.46	24.6%	96.19	96.69
Medium Flake	150	9.9%	97.30	97.60	7.6%	95.90	96.50
Fine Flake	75	22.5%	96.07	96.41	43.2%	94.85	95.62

Summary: Key Shareholder Takeaways



MUSTANG
— RESOURCES LTD —

- Premier ruby project in a world-class gemstone province
- Management team with in country experience & “skin in the game”
- Valuable market intelligence gathered through 1st auction/tender
- Outstanding exploration upside and growth potential on both projects
- Significant additional upside from Tier-1 High Grade Caula graphite project

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