



22 February 2018

Mustang to raise up to \$4.4 million to advance its ruby and graphite projects

Funds to be raised by one-for-four non-renounceable entitlement issue at 2.3 cents per share

Further to an announcement on 8 January 2018 of a proposed entitlement share issue, Mustang Resources (**ASX: MUS**) is pleased to announce that it now proposes revised terms to raise up to \$4,435,742 by a one-for-four non-renounceable entitlement issue at 2.3 cents per share.

The offer price represents a 23% discount to the 15-day VWAP and a 11.5% discount to the last closing price.

The proceeds will be used primarily to fund bulk sampling and exploration at the Company's Montepuez Ruby Project and exploration at its Caula Graphite Project (see Table 1), both of which are in northern Mozambique.

Mustang's largest shareholder (with 7.74% of issued capital) and operator of its Mozambican ruby and graphite projects, Regius Resources Group Ltd, has confirmed it will take up A\$200,000 of its entitlement in the raising (representing 8,695,652 shares, being a majority of its entitlement). Non-Executive Chairman Ian C Daymond has also confirmed his intention to take up his full entitlement.

The record date for the offer is Tuesday, 27 February 2018.

Mustang Managing Director Dr. Bernard Olivier said: *"This entitlement offer provides shareholders with a further opportunity to participate in Mustang's growth."*

"We believe we are well on track to establishing Montepuez as a world-class ruby project."

"The ongoing ruby bulk sampling and exploration campaign in coming months will be funded predominantly by this raising as we continue to refine our ruby marketing strategy with increasing market intelligence."

"Equivalent funds will be dedicated to exploration at the high-grade Caula Graphite Project aimed at increasing the JORC Resource and fast-tracking feasibility studies as part of our strategy to supply the global lithium battery market."

COMPANY INFORMATION

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

Current Shares on Issue:
771,433,387
Market Capitalisation:
\$20.8m as at 21 February 2018

COMPANY DIRECTORS

Ian Daymond
Chairman

Bernard Olivier
Managing Director

Cobus van Wyk
Chief Operating Officer

Christiaan Jordaan
Director

Twitter: @Mustang_Res
mustangresources.com.au

As the entitlement issue is non-renounceable, the rights cannot be transferred or sold. Up to approximately 192,858,347 fully paid ordinary shares may be issued pursuant to the entitlement issue. Shares issued under the entitlement issue will rank equally with fully paid ordinary shares currently on issue.

The entitlement issue is not underwritten and Directors retain the right to place any shortfall on the same terms within 3 months after the closing date.

Full details of the offer can be found in the accompanying Offer Document to be dispatched to eligible shareholders on the record date.

The timetable of the offer is set out in Table 2 below.

Table 1. Use of Entitlement Offer Proceeds

Items of Expenditure	Amount (\$)	Percentage (%)
Bulk sampling and exploration activities on the Montepuez Ruby Project ¹	\$1,800,000	40.58%
Exploration activities on the Caula Graphite Project ²	\$1,800,000	40.58%
Working capital ³	\$772,742	17.42%
Expenses of the Offer	\$63,000	1.42%
TOTAL	\$4,435,742	100%

Note:

1. Bulk sample mining and processing using the Company's processing plant. Pitting and sampling by the geological team to identify ruby mineralisation. Test sales and market development of current and future rubies available for sale through the Company's offices in Thailand or other sales channels.
2. Diamond drilling and sampling on licences 6678L and 5873L. Chemical and metallurgical testing and assaying by laboratories in South Africa and Australia. Feasibility studies including concept and definitive feasibility studies inclusive of plant and process flow designs, capital and operating cost estimates and financial modelling.
3. Funds allocated to working capital will be used for administration expenses of the Company over the short term, including Director's remuneration, office and administration costs and general corporate overheads.

Table 2. Entitlement Offer Timetable

Action Item	Date
Company announces Rights Issue	22 February 2018
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX	22 February 2018
Notice sent to Option holders	22 February 2018
Notice sent to Shareholders	23 February 2018
Ex-date	26 February 2018

Record Date for determining Entitlements	7.00pm (Sydney time) on 27 February 2018
Offer Document and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders & Company announces this has been completed	2 March 2018
Last day to notify ASX of an extension to the Closing Date*	16 March 2018
Closing Date	5.00pm (Perth time) on 21 March 2018
Shares quoted on a deferred settlement basis	22 March 2018
ASX notified of under subscriptions	26 March 2018
Issue date/Shares entered into Shareholders' security holdings	28 March 2018
Quotation of Shares issued under the Offer	29 March 2018

For and on behalf of the Company.



Dr. Bernard Olivier
Managing Director

FOR FURTHER INFORMATION, PLEASE CONTACT:

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FORWARD-LOOKING STATEMENTS:

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