

23 February 2018

Dear Optionholder

**NON-RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO \$4,435,742**

Pursuant to an offer document dated 22 February 2018 (**Offer Document**), Mustang Resources Limited (**Company**) is offering shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise up to \$ 4,435,742 (before costs) (**Offer**), on the basis of one fully paid ordinary share in the capital of the Company (**New Share**) for every four fully paid ordinary shares held at the record date, at an issue price of \$0.023 per New Share.

New Shares will rank equally with existing fully paid ordinary shares in the capital of the Company (**Shares**).

If the Offer is fully subscribed, a total of 192,858,347 New Shares will be issued resulting in a total of 964,291,734 Shares being on issue (based on the number of Shares on issue at the date of this letter and subject to rounding).

Only shareholders with a registered address in Australia, New Zealand and the United Kingdom at 7.00pm (Sydney-time) on the record date of 28 February 2018 (**Record Date**) will be eligible to participate in the Offer (**Eligible Shareholders**).

The Offer Document is available on the Company's website at [mustangresources.com.au](http://mustangresources.com.au) and on the ASX website at [www.asx.com.au](http://www.asx.com.au). Eligible Shareholders will be mailed a copy of the Offer Document together with a personalised entitlement and acceptance form no later than 2 March 2018.

**Option holders**

The purpose of this letter is to give you notice, as an option holder of the Company, that if you wish to participate in the Offer in relation to the Shares underlying your options, you must exercise your options before the Record Date.

Notice of exercise of your options and payment of the exercise price of the options must be received by the Company's share registry, Computershare Limited, on or before Tuesday 27 February 2018. Any notice of exercise of options received after this date cannot be assured of the issue of Shares by the Record Date.

There is no obligation for you to exercise your options. This letter is intended to inform you of your rights in relation to your options and the Offer. If you do not wish to participate in the Offer, you do not need to take any action.

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MUSTANG RESOURCES LIMITED

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## **Purpose of Offer**

Successful completion of the Offer will raise up to \$4,435,742 (before costs). The funds raised will be used for continuing costs associated with bulk sampling and exploration activities on the Montepuez Ruby Project, exploration activities on the Caula Graphite Project, general working capital purposes and expenses of the Offer. This is a statement of the Board's current intentions as at the date of the Offer Document. However, the Board reserves the right to alter the way the funds are applied.

Before deciding whether to exercise any or all of your options, you should read the Offer Document in its entirety.

This letter is important and requires your immediate attention. If you have any queries concerning the Offer, you should consult with your professional advisors.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian C Daymond', written in a cursive style.

Ian C Daymond  
**Non-Executive Chairman**