

26 February 2018

Dear Shareholder

## **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 will be made pursuant to an offer document lodged with ASX on 22 February 2018 (**Offer Document**). Only Eligible Shareholders will be mailed a copy of the Offer Document together with a personalised entitlement and acceptance form no later than 5 March 2018.

### **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.

### **Ineligible Shareholders**

The Company has determined that it would be unreasonable to extend participation in the Offer to shareholders who do not have a registered address in Australia, New Zealand or the United Kingdom (**Ineligible Shareholders**) having regard to:

- (a) the number of Ineligible Shareholders;
- (b) the number and value of New Shares that would otherwise be offered to Ineligible Shareholders; and
- (c) the cost of complying with overseas legal and regulatory requirements.

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MUSTANG RESOURCES LIMITED

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As you are an Ineligible Shareholder, you will not be entitled to participate in the Offer and you will not be sent a copy of the Offer Document. For your information only, a copy of 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).

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**