

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 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 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.

### **Actions required by Eligible Shareholders**

Eligible Shareholders wishing to participate in the Offer may take up all or part of their entitlement and apply for additional Shares in the event there is a shortfall (i.e. Eligible Shareholders not accepting their entitlement in full). Full instructions on how to participate in the Offer are set out in the Offer Document and accompanying personalised entitlement and acceptance form that will be sent to Eligible Shareholders.

### **Shortfall**

If Eligible Shareholders do not wish to take up any part of their entitlement they are not required to take any action. That part of their entitlement that is not taken up will form the shortfall. The offer of the shortfall is

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a separate offer made pursuant to the Offer Document and will remain open for up to three months following the Closing Date. The Directors reserve the right to issue Shares under the shortfall offer at their absolute discretion.

## Timetable

The timetable for the Offer is as follows:

Event	Date
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX	22 February 2018
Notice sent to Option holders	23 February 2018
Notice sent to Shareholders	26 February 2018
Ex-date	27 February 2018
Record Date for determining Entitlements	7.00pm (Sydney time) on 28 February 2018
Offer Document and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders & Company announces this has been completed	5 March 2018
Last day to notify ASX of an extension to the Closing Date*	19 March 2018
Closing Date	5.00pm (Perth time) on 22 March 2018
Shares quoted on a deferred settlement basis	23 March 2018
ASX notified of under subscriptions	27 March 2018
Issue date/Shares entered into Shareholders' security holdings	29 March 2018
Quotation of Shares issued under the Offer	3 April 2018

*\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are anticipated to be issued and expected to commence trading on ASX may vary.*

Eligible Shareholders should consider the Offer Document carefully before deciding whether to participate in the Offer and consult with their professional advisors if they have any queries.

Yours sincerely



Ian C Daymond  
**Non- Executive Chairman**