



15 August 2018

Mustang Agrees Key Approvals and Waivers with Arena Investors L.P

COMPANY INFORMATION

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

Current Shares on Issue:
997,692,269

Market Capitalisation:
\$13.96M as at 14 August 2018
@\$0.014 per share

COMPANY DIRECTORS

Ian Daymond
Chairman

Bernard Olivier
Managing Director

Cobus van Wyk
Chief Operating Officer

Christiaan Jordaan
Director

Evan Kirby
Director

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Mustang Resources Limited (“Mustang”, the “Company”) (ASX:MUS) is pleased to announce that it has obtained key approvals and waivers with Arena Investors L.P (“Arena”) in an amendment deed dated 14 August 2018 (“Amendment Deed”).

As announced on 8 January 2018¹, Arena, a major institutional investor with more than US\$750 million in assets under management on behalf of clients and affiliates, entered into an agreement (“Agreement”) with Mustang, whereby it committed to invest AU\$19.95 million into the Company, under a multi-tranche convertible note facility.

On 17 July 2018², Mustang entered into a Merger Agreement (“Merger Agreement”) to merge its Ruby Assets with Fura Gems Inc. (“Fura”) (TSX.V:FURA) for AU\$10 million in Fura shares over three tranches and a AU\$25 million funding commitment from Fura.

Under the amendment deed Arena has provided the required approvals for the Merger Agreement and, importantly, has agreed to waive the 15% termination fee on amounts not drawn under the Agreement. It is therefore now at the discretion of the Company to decide to which extent it wishes to draw on the finance, if at all.

As at 1 August 2018 Arena held a total of AU\$2.5 million (face value) of convertible notes in Mustang, of which AU\$1 million is in Tranche 1 notes issued in January 2018 with an 18-month term and AU\$1.5 million is in Tranche 2A notes issued in July 2018, also with an 18-month term. At the end of these terms, Mustang has the option to repay these convertible notes in cash or in shares at their election. Prior to expiry Arena is able to convert its notes to shares at the higher of the floor price (1.6 cents and 1.8 cents respectively) or the lowest preceding 20 day VWAP.³

Mustang Resources Managing Director Bernard Olivier Commented “Given the Company’s renewed focus on the Caula Vanadium-Graphite project and the fact that the Agreement with Arena was entered into by the Company only in January 2018, it is important that Arena has been willing to waive the termination fee, thereby allowing Mustang to decide whether or not to continue using this source of funding going forward.”

¹ Refer to ASX Announcement dated 8 January 2018 for further details

² Refer to ASX Announcement dated 17 July 2018 for further details

³ Refer to Cleansing Notice dated 24 May 2018 for further details.

For and on behalf of the Board



Dr. Bernard Olivier
Managing Director

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Mustang confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements referenced throughout this announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Mustang confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

ABOUT MUSTANG RESOURCES LTD

Mustang Resources Ltd is an ASX listed company (ASX:MUS) focused on the development of the Caula Vanadium-Graphite Project in Northern Mozambique, located along strike from the Syrah Resources Ltd (ASX:SYR) Balama Project. In July 2018⁴ Mustang announced a maiden vanadium mica-hosted JORC Measured Resource for Caula of 22Mt at 0.37% V₂O₅ for 81,600 tonnes of contained vanadium pentoxide. The Company concurrently announced a 317% increase in its JORC Graphite Resource to 21.9Mt at 13.4% Total Graphitic Carbon ("TGC") (8% cut-off), for a total of 2,933,100 tonnes of contained Graphite, all in the measured category.

The Company has a highly experienced board and management team with a 15-year track record of investment and successful project development in Mozambique and the Africa region. With the aim to become a key provider of vanadium and graphite, both key components used in battery production, the company currently has a scoping study underway, which is due for completion in Q3 2018.

⁴ Refer to ASX Announcements dated 20 July 2018 and 24 July 2018 respectively

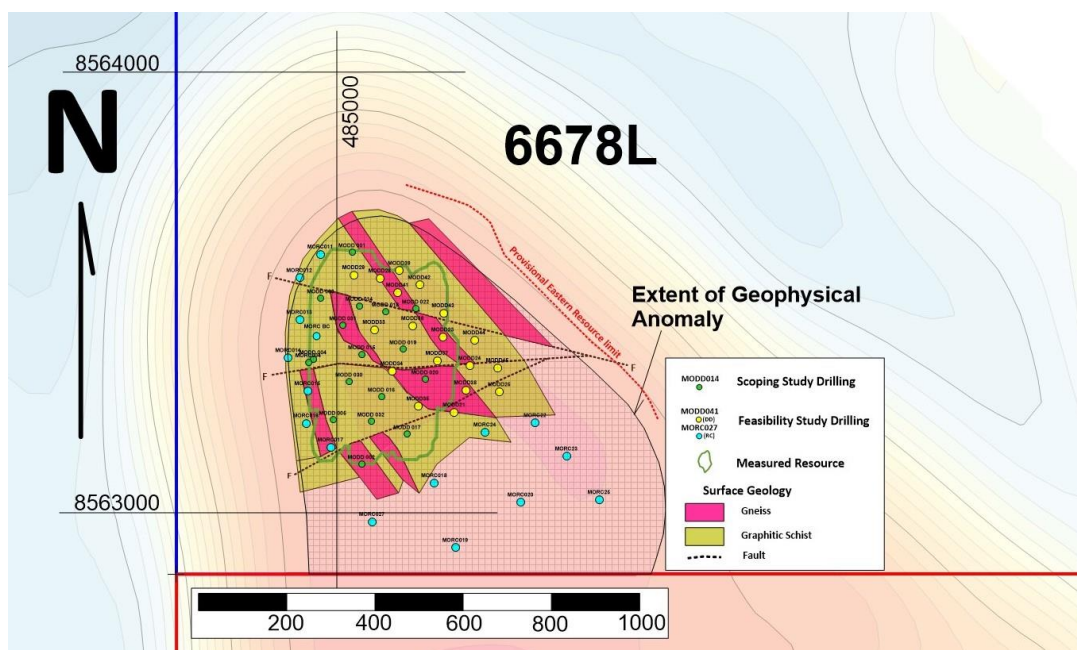


Figure 1. Mustang's Caula Vanadium-Graphite Project

ABOUT ARENA INVESTORS

Arena is a global investment firm and merchant capital provider that seeks to generate attractive risk – adjusted and uncorrelated returns by investing in a highly diversified portfolio across the entire credit spectrum. Based in New York City, Arena employs a team of 42 professionals and was formed in partnership with The Westaim Corporation, a publicly traded Canadian holding company focused on the financial services industry.

COMPETENT PERSON'S STATEMENT

Information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Johan Erasmus, a Competent Person who is a registered member of the South African Council for Natural Scientific Professions (SACNASP) which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Mr Erasmus is a consultant to Sumsare Consulting, Witbank, South Africa which was engaged to undertake this work. Mr Erasmus has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results. Mr Erasmus consents to the inclusion of the data in the form and context in which it appears.

Information in this report that relates to the metallurgical aspects of the Caula Graphite & Vanadium Project is based on information compiled by Dr. Evan Kirby, a Competent Person who is a registered member of the South African Institute for Mining and Metallurgy (SAIMM), which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Dr Kirby is a Non-Executive Director of the company. Dr Kirby has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Kirby consents to the inclusion of the data in the form and context in which it appears.

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.