



ANNOUNCEMENT

COMPANY INFORMATION

Mustang Resources Ltd
ABN 34 090 074 785
ASX Code: MUS
Current Shares on Issue:
323,749,913
Market Capitalisation:
\$8M as at 15 December 2016

COMPANY DIRECTORS

Ian Daymond: Chairman
Christiaan Jordaan: MD
Cobus van Wyk: Director

MANAGEMENT

Christiaan Jordaan: MD
Rob Marusco: CFO / Co Sec

CURRENT PROJECTS

GRAPHITE

- Balama Graphite Project

RUBIES

- Montepuez Ruby Project

Twitter: @Mustang_Res

mustangresources.com.au

15 December 2016

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MUSTANG RAISES \$2.8 MILLION IN OVERSUBSCRIBED PLACEMENT

Highlights:

- **Mustang receives formal commitments to raise \$2.8 million through a placement of new shares at 2.1 cents per share**
- **Placement was led by US institutional investors and strongly supported by Australian sophisticated investors**
- **Funds raised will primarily be used to scale up the Montepuez Ruby Project's bulk sampling program**
- **Company well-funded to rapidly ramp up production volumes and achieve first ruby sales in H1-2017**

Mustang Resources Limited (ASX: **MUS**) ("**Mustang**" or "**the Company**") is pleased to announce that it has received formal commitments to raise \$2.8 million in an oversubscribed placement led by US institutional investors in conjunction with Australian sophisticated investors through the issue of 133.4 million new ordinary shares, ranking pari passu with existing holders, at an issue price of 2.1 cents per share ("**Placement**").

Funds raised pursuant to the Placement will principally be used to further develop the Company's Montepuez Ruby Project in Mozambique, providing the Company with the ability to accelerate production volumes and ruby recoveries, achieve first ruby sales (H1-2017) and aggressively expand the deposit through an auger drilling campaign. Limited further work will also be completed on the Balama Graphite project.

Jett Capital Advisors LLC and Hartleys Limited acted as joint lead managers to the Placement.

The Placement has been made to institutional, professional and sophisticated investors. The Placement will be completed in two tranches with 48.56 million shares (\$1.02 million) to be issued in the first tranche (**Tranche 1**). The remaining 84.84 million shares (\$1.78 million) will be issued in a second tranche also at \$0.021 per share (**Tranche 2**), conditional on shareholder approval at a general meeting expected to be held in late January 2017 ("**EGM**"). In addition and subject to shareholder approval, one option (exercise price of \$0.035 and a 3-year term) for every two shares subscribed for and issued under the Placement will be issued to subscribers under the Placement.



Settlement of Tranche 1 is expected to occur on or around Wednesday, 21 December 2016 and a Notice of Meeting will be dispatched to shareholders shortly.

Commenting on the placement, Mustang's Managing Director Christiaan Jordaan said: *"We are extremely pleased to have received such strong support from institutional and sophisticated investors both in the United States and here in Australia. We look forward to advancing our strategy of becoming a globally significant ruby supplier in the next calendar year and to build on the strength of our results from the past six months."*

"The first order of business in Q1-2017 will be achieving steady state processing volumes of ~525tpd and thereafter to implement further operational shifts to extract maximum volumes of gem quality rubies from our project. The planned auger drilling campaign, kicking-off in Q1-2017, will serve to delineate the extent of our deposits and map future production whilst first ruby sales in H1-2017 will prove our unique model of generating significant revenues early on in the development of this project."

For and on behalf of the Board

Christiaan Jordaan
Managing Director

FOR FURTHER INFORMATION, PLEASE CONTACT:

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About Mustang Resources Ltd (MUS.AU)

Listed on the Australian Securities Exchange, Mustang Resources Limited (MUS:AU) is an emerging gemstone developer and producer focused on the near-term development of the highly prospective Montepuez Ruby Project in Northern Mozambique.

The Montepuez Ruby Project consists of three licenses covering 15,800 hectares directly adjacent to the world's largest ruby deposit discovered by Gemfields PLC (GEM:LN) in 2012. Since supply from previous sources has become fractured and unreliable, Mustang stands to capitalise on the current demand (fueled by markets the world over) by becoming a reliable, consistent supplier of ethical high-quality rubies.

The Company is currently undergoing a fast tracked, high impact work program on the Montepuez Ruby Project with high priority targets identified and low-cost bulk sampling in progress. Mustang also has interests in the Balama Graphite Project in Mozambique. All two projects have significant unlocked value which Mustang intends to realise.

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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.