

MONTEPUEZ RUBY PROJECT UPDATE

COMPANY INFORMATION

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

Current Shares on Issue:
289,263,030
Market Capitalisation
\$12.24 M as at 22 June 2016

COMPANY DIRECTORS

Ian Daymond
Chairman

Christiaan Jordaan
Managing Director

Cobus van Wyk
Non-Executive Director

Frank Petruzzelli
Non-Executive Director

23 June 2016

MONTEPUEZ RUBY PROJECT UPDATE

ADVANCING TOWARDS BULK SAMPLING START-UP

- **Phase 1 of Montepuez work program progressing well with drilling and trenching activities to commence imminently**
- **Bulk sampling program scheduled to commence Q3 2016**
- **Second tranche of \$3 million placement completed on 21 June 2016**
- **\$1.2 million received from Shareholder Purchase Plan**
- **Mustang now well-funded to rapidly advance development of Montepuez Ruby Project**

Mustang Resources Ltd (ASX: MUS) ("Mustang" or the "Company") is pleased to advise that fieldwork activities are well advanced at the Montepuez Ruby Project in preparation for the imminent commencement of the drilling and trenching program ("Phase 1") and the subsequent bulk sampling program in Q3 2016.

The Company has also further built out its exploration base camp and is progressing with the construction of the bulk sampling plant.

Following completion of Phase 1 of the work program, Mustang intends to commence a bulk sampling program ("Phase 2") at Montepuez, targeting the initial processing of 600tpd to 1,000tpd, focusing on the secondary source of ruby mineralisation (alluvial deposition/paleo channels) which is known to host the higher quality rubies in the Montepuez region.

Mustang's Managing Director, Christiaan Jordaan, commented: "The Company is very encouraged by the strong level of support received for the recently completed placement and shareholder purchase plan which has provided the Company with the capital required to fund the near-term exploration and development of the Montepuez Ruby Project.

Also noteworthy, is the Company's attendance last week at the Gemfields Ruby auction in Singapore where US\$44 million of Mozambique rubies were sold by Gemfields. Mustang continues to be buoyed by the strong demand for Mozambique rubies and we will work diligently to drive shareholder value in the near future.

Furthermore, the Company is finalising a detailed review of all exploration data received to date on our Balama Graphite Project, with the aim of commencing a low-cost resource definition program in the second half of the year. An update on the Balama Graphite Project will be provided to shareholders shortly."



Figure 1. Mustang geological team doing field mapping

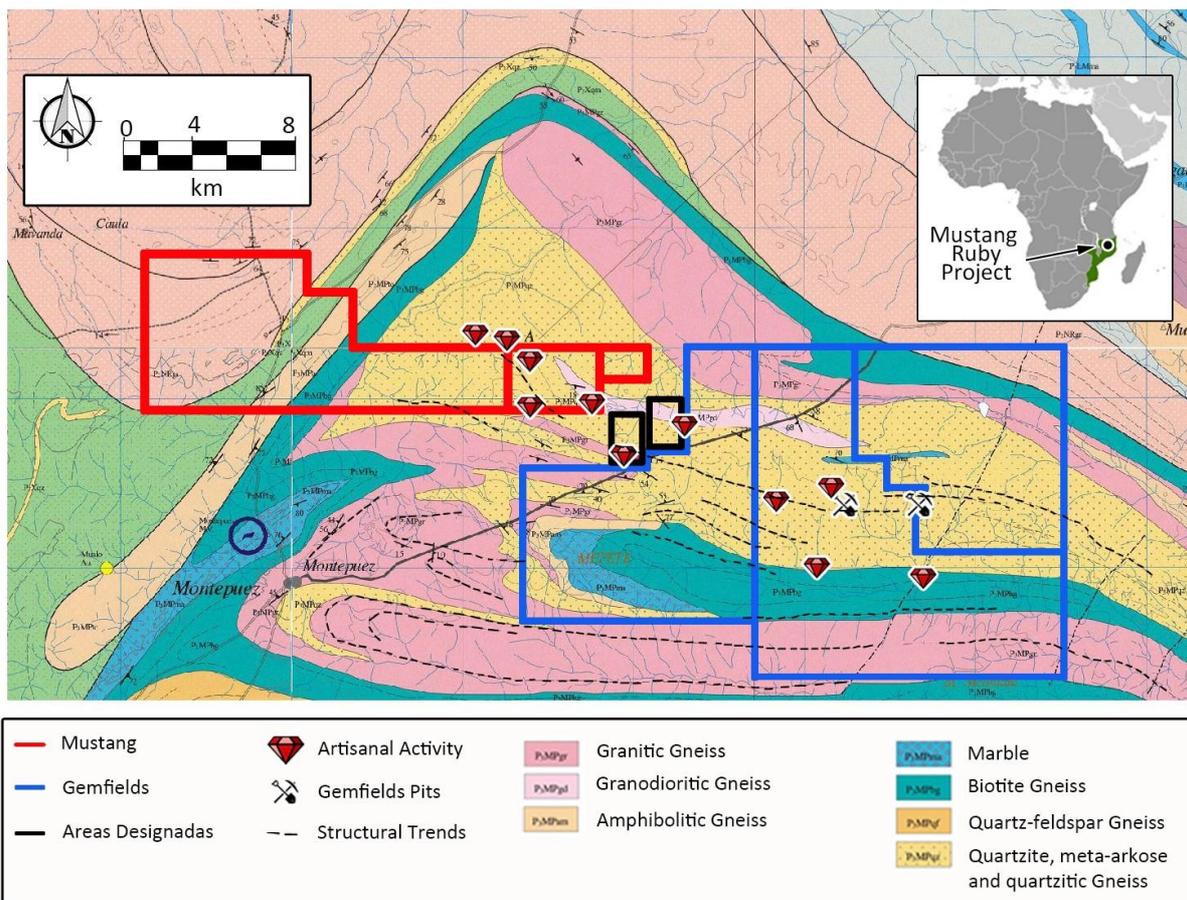


Figure 2. Geological Map of Mustang's Montepuez Ruby Project

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For and behalf of the Company.

Christiaan Jordaan
Managing Director

FOR FURTHER INFORMATION PLEASE CONTACT:

Managing Director:
Christiaan Jordaan
info@mustangresources.com.au
+61 (0) 2 9239 3119

Media & Investor Relations:
Sam Burns
sam.burns@sdir.com.au
+61 (0)400 164 067



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www.mustangresources.com.au

About Mustang Resources Ltd (MUS.AU)

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

The Montepuez Ruby Project consists of three licences 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 high-grade 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 to commence in the near term. Mustang also has interests in the Save River Diamond Project, and the Balama Graphite Project in Mozambique. All three projects have significant unlocked value which Mustang intends to realise.

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.

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