



ANNOUNCEMENT

19 September 2016

MONTEPUEZ RUBY PROJECT UPDATE

Highlights:

- **Construction of bulk sampling plant at Montepuez Ruby Project well advanced**
- **Bulk sampling pit opened and gravel is being stockpiled for wet-commissioning of the plant within the next 10-15 days**
- **Recovery of initial high quality rubies and discovery of secondary ruby deposit during reconnaissance pitting bodes well for bulk sampling start up**

Mustang Resources Limited (ASX:**MUS**) ("**Mustang**" or "**the Company**") is pleased to advise significant progress towards the commencement of bulk sampling has been made at the Montepuez Ruby Project, with plant civil works completed and plant construction well advanced (see Figure 1 below). Furthermore, the final ruby recovery unit/ gloveboxes have been installed and the Company expects to wet-commission the bulk sample mining plant within the next 10-15 days.

As previously reported, the bulk sampling plant will initially operate at 1,300tpd (feed) for one 8-hour shift. The goal of the bulk sample mining phase is to demonstrate the grade of ruby mineralisation over a representative sample size, to recover sufficient rubies to form a marketable parcel and to provide an indication of the quality of rubies within the license area.

The initial bulk sampling pit, which will be the focus of the bulk sampling start-up, has been opened down to ~8 meters and first gravel-ore delivered to the plant where a stockpile is being built in the lead-up to plant commissioning (see Figures 1 & 2). Gravels over the ruby-yielding area known as "EXPIT-21" were intersected at ~4 meters down to 8 meters coarsening downwards (see Figure 3). In coming months this pit area will be further expanded and the extension of the deposit mapped with the help of auger drilling and follow-up excavator pitting.

Mustang will provide further updates on the successful commencement of bulk sampling and additional ruby recoveries in the near-term.

COMPANY INFORMATION

Mustang Resources Ltd
ABN 34 090 074 785
ASX Code: MUS
Current Shares on Issue:
323,749,913
Market Capitalisation:
\$11.33M as at 16 September
2016

COMPANY DIRECTORS

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

MANAGEMENT

Christiaan Jordaan: MD
Rob Marusco: CFO / Co Sec

CURRENT PROJECTS

GRAPHITE

- Balama Graphite Project

RUBIES

- Montepuez Ruby Project

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Figure 1: Mustang bulk sampling plant construction, glove-boxes & stockpiling of gravel from pit



Figure 2: Bulk sampling pit over EXPIT 21 area, license 4143L



Figure 3: Pit 21. (i.) Excavation of Pit 21 down to 8m; (ii.) Gravel layer in the stock pile; (iii.) Gravel clasts of quartzite ranging from 2cm to 8cm in diameter, (iv.) Angular quartzite clasts approximately 15 cm in diameter and (v.) Gravel layer red oxidised material with white nodules and clasts

For and on behalf of the Board

Christiaan Jordaan
Managing Director

FOR FURTHER INFORMATION, PLEASE CONTACT:

Managing Director:
Christiaan Jordaan
info@mustangresources.com.au
+61 3 9347 2409

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

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

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statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

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 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 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.

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