MUSTANG RESOURCES LTD

27 June 2018

Further strong vanadium and graphite assays at Caula Graphite-Vanadium Project

Latest high-grade results will form part of maiden vanadium Resource and graphite Resource upgrade next quarter

Key Points

- **Further high-grade assays from the final holes drilled as part of the Scoping Study on the Caula Graphite and Vanadium project (Licence 6678L)**
- **Assays include intersections of up to 1.9% vanadium (V_2O_5) and 28.9% Total Graphitic Carbon (TGC)**
- **The results contain multiple high-grade intersections over extensive widths, including 215m at 14.72% TGC average and 0.51% V_2O_5 average (MODD018)**
- **The latest Vanadium results include:**
  - **32m @ 0.82% V_2O_5 including 14m @ 1.29% V_2O_5 (MODD018)**
  - **46m @ 0.39% V_2O_5 including 3m @ 0.67% V_2O_5 (MODD019)**
  - **79m @ 0.39% V_2O_5 including 6m @ 0.55% V_2O_5 (MODD022)**
- **The latest Graphite results include:**
  - **48m @ 17.68% TGC including 13m @ 21.5% TGC (MODD018)**
  - **45m @ 13.91% TGC including 7m @ 19.17% TGC (MODD019)**
  - **66m @ 15.41% TGC including 13m @ 17.79% TGC (MODD022)**
- **These results will now be incorporated into the Maiden Vanadium Resource and upgraded Graphite Resource which are scheduled for release in the coming quarter**

COMPANY INFORMATION

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

Current Shares on Issue:
940,111,309

Market Capitalisation:
$15M as at 26 June 2018

COMPANY DIRECTORS

Ian Daymond
Chairman

Bernard Olivier
Managing Director

Cobus van Wyk
Chief Operating Officer

Christiaan Jordaan
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Evan Kirby
Director

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Mustang Resources Ltd (ASX: MUS) is pleased to report further strong assay results from drilling at its Caula Graphite-Vanadium Project in Mozambique.

The assays come from the final seven holes drilled as part of the Caula Scoping Study, which is scheduled for completion in the coming quarter.

The latest results contain exceptional assays of up to 1.9% vanadium (V_2O_5) and 28.9% Total Graphitic Carbon (TGC), as well as confirming the presence of elevated mineralisation around the anticlinal hinge.

The results also provide an important insight into the structure and controls of the vanadium-graphite mineralisation at Caula. Mustang is integrating these latest results with the existing data.

Mustang Managing Director Dr. Bernard Olivier said: “These latest assays provide more strong evidence that Caula hosts extensive high-grade graphite mineralisation as well as highly promising vanadium mineralisation.

“The results further highlight the potential for Caula to be a world-class, low-cost graphite and vanadium supplier to the fast-growing battery industry.”

The Caula Project is located along strike from Syrah Resources’ (ASX: SYR) Balama graphite project in Mozambique.

Caula Infill Diamond Drilling, December 2017

The December 2017 diamond drilling campaign was designed as Resource infill and extension drilling as part of the Scoping Study for Caula. A total of 11 holes were completed for 1,421.5m with detailed logging undertaken.

Figure 1. Diamond Drilling during Mustang’s Scoping Study Drilling Campaign

Summary of the Drilling Results

This drilling has produced a number of exceptional shallow intersections.

Table 1. Graphite Mineralised Intersections of the remaining assays from Scoping Study Drilling Campaign

Hole ID	Coordinates		Dip	Azimuth	EOH	Downhole Interval			Total Graphitic Carbon
	Easting	Northing				From (m)	To (m)	Width (m)	
MODD018	485114	8563455	55	80	217.89	6	221	215	14.72
						44	92	48	17.68
						44	57	13	21.51
MODD019	485152	8563372	55	73	127.96	10	127.96	117.96	10.13
						78	123	45	13.91
						82	89	7	19.17
MODD020	485212	8563291	55	62	125.29	51	123	72	7.64
						63	89	26	7.66
						118	123	5	15.42
MODD022	485181	8563465	55	55	161.29	9	132	123	13.31
						42	108	66	15.41
						95	108	13	17.79
MODD030	485029	8563297	55	93	95.54	7	95.54	88.54	8.06
						11	23	12	13.77
						44	57	13	13.38
MODD031	485001	8563422	55	79	131.24	15.44	131.00	115.56	12.36
						23	51	28	16.30
						56	72	16	18.48
MODD032	485085	8563199	55	63	87.59	6	71	65	11.71
						10	23	13	16.37
						41	51	10	16.08

and Table 2 below outlines the mineralised intersections of graphite and vanadium, respectively.

Table 1. Graphite Mineralised Intersections of the remaining assays from Scoping Study Drilling Campaign

Hole ID	Coordinates		Dip	Azimuth	EOH	Downhole Interval			Total Graphitic Carbon
	Easting	Northing				From (m)	To (m)	Width (m)	
MODD018	485114	8563455	55	80	217.89	6	221	215	14.72
						44	92	48	17.68
						44	57	13	21.51
MODD019	485152	8563372	55	73	127.96	10	127.96	117.96	10.13
						78	123	45	13.91
						82	89	7	19.17
MODD020	485212	8563291	55	62	125.29	51	123	72	7.64
						63	89	26	7.66
						118	123	5	15.42
MODD022	485181	8563465	55	55	161.29	9	132	123	13.31
						42	108	66	15.41
						95	108	13	17.79
MODD030	485029	8563297	55	93	95.54	7	95.54	88.54	8.06
						11	23	12	13.77
						44	57	13	13.38
MODD031	485001	8563422	55	79	131.24	15.44	131.00	115.56	12.36
						23	51	28	16.30
						56	72	16	18.48
MODD032	485085	8563199	55	63	87.59	6	71	65	11.71
						10	23	13	16.37
						41	51	10	16.08

Figure 2 shows the locations of the diamond drill holes used to calculate the 2017 Inferred Mineral Resource as well as the locations of the drill holes with the assay results received in 2018. Figures 3 and 4, show high-grade graphitic schists in the diamond drill core from MODD018 and MODD020.

Table 2. Vanadium Mineralised Intersections of the remaining assays from Scoping Study Drilling Campaign

Hole ID	Coordinates		Dip	Azimuth	EOH	Downhole Interval			V_2O_5
	Easting	Northing				From (m)	To (m)	Width (m)	
MODD018	485114	8563455	55	80	217.89	6	221	215	0.47
						183	215	32	0.75
						187	201	14	1.29
MODD019	485152	8563372	55	73	127.96	10	127.96	117.96	0.31
						78	124	46	0.39
						82	85	14	0.67
MODD020	485212	8563291	55	62	125.29	51	123	72	0.22
						81	89	8	0.40
						118	123	5	0.43
MODD022	485181	8563465	55	55	161.29	9	132	123	0.35
						32	111	79	0.39
						68	74	6	0.55
MODD030	485029	8563297	55	93	95.54	7	95.54	88.54	0.21
						183	215	32	0.35
						38	48	10	0.38
MODD031	485001	8563422	55	79	131.24	15.44	131	115.56	0.31
						28	33	5	0.53
						57	65	8	0.55
MODD032	485085	8563199	55	63	87.59	6	71	65	0.27
						59	62	3	0.54
						69	71	2	0.70

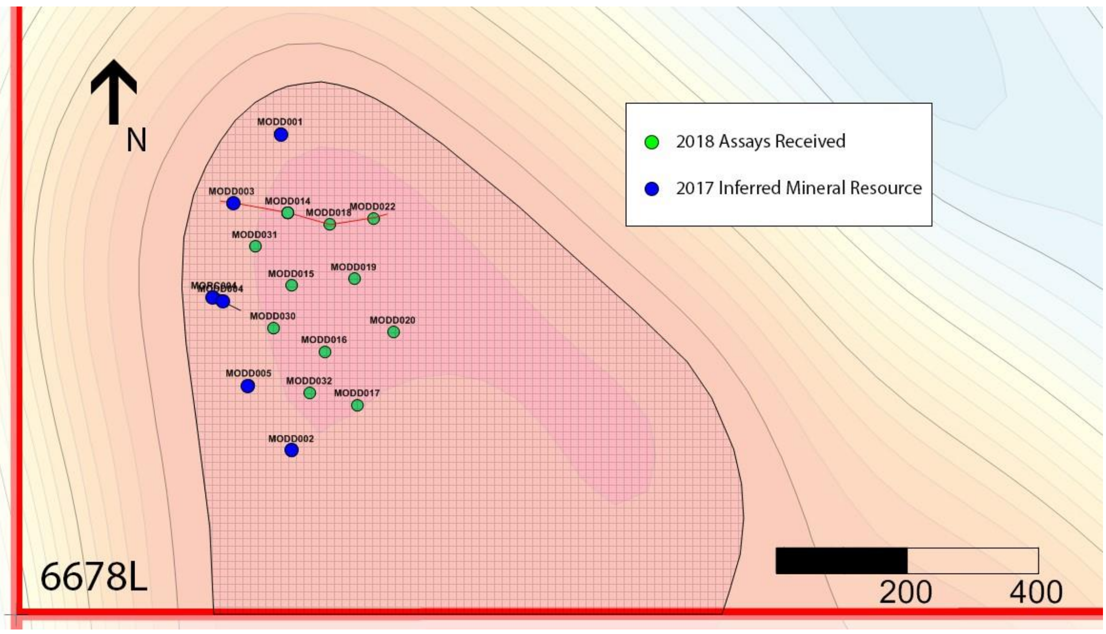

Figure 2. Mustang's Caula Graphite & Vanadium Project, EM depicting the graphitic anomaly and the resource drilling to date.

Figure 3. High grade graphitic schist in MODD018

Figure 4. High grade graphitic schist from Box 27, MODD020

Mustang is currently completing its Maiden Vanadium Resource and Upgraded Graphite Resource which it expects to be released by the end of July 2018 with the Scoping Study to be completed soon after.

For and on behalf of the Board

Dr. Bernard Olivier
Managing Director

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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.

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 statement.

APPENDIX 1 – DD DRILLHOLE SUMMARY TABLE

Hole ID	WGS 84 UTM - Zone 37s		Dip	Azimuth	EOH Depth (m)	From (m)	To (m)	Interval (m)	Average TGC %	Average V_2O_5 %
	Easting	Northing								
MODD018	485114	8563455	55	80	217.89	6	19	13	15.47	0.29
						19	20	1	1.29	0.28
						20	25	5	16.62	0.52
						25	28	3	5.78	0.48
						28	30	2	26.65	36.79
						30	34	4	0.92	0.10
						34	37	3	19.73	0.29
						37	44	7	2.87	0.12
						44	63	19	20.22	0.42
						63	64	1	3.95	0.25
						64	78	14	14.06	0.49
						78	79	1	1.93	0.11
						79	84	5	23.98	0.33
						84	86	2	8.31	0.26
						86	92	6	20.87	0.70
						92	99	7	9.07	0.32
						99	112	13	18.00	0.38
						112	142	30	0.05	0.01
						142	165	23	15.97	0.49
						165	188	23	4.19	0.42
						188	220.89	32.89	16.14	0.78

Hole ID	WGS 84 UTM - Zone 37s		Dip	Azimuth	EOH Depth (m)	From (m)	To (m)	Interval (m)	Average TGC %	Average V_2O_5 %
	Easting	Northing								
MODD019	485152	8563372	55	73	127.96	6.9	18	11.1	10.45	0.27
						18	19	1	0.24	0.09
						19	23	4	8.38	0.30
						23	25	2	1.29	0.19
						25	30	5	14.36	0.40
						30	32	2	2.35	0.23
						32	34	2	9.25	0.33
						34	39	5	4.14	0.15
						39	45	6	10.24	0.41
						45	82	37	7.87	0.27
						82	89	7	19.17	0.53
						89	95	6	4.07	0.12
						95	99	4	15.10	0.41
						99	100	1	0.06	0.02
						100	105	5	8.97	0.21
						105	108	3	15.53	0.43
						108	109	1	3.27	0.12
						109	123	14	15.27	0.41
						123	127.96	4.96	3.86	0.13

Hole ID	WGS 84 UTM - Zone 37s		Dip	Azimuth	EOH Depth (m)	From (m)	To (m)	Interval (m)	Average TGC %	Average V_2O_5 %
	Easting	Northing								
MODD020	485212	8563291	55	62	125.29	48	51	3	1.25	0.09
						51	57	6	15.77	0.35
						57	63	6	5.40	0.16
						63	95	32	9.83	0.24
						95	98	3	1.26	0.03
						98	114	16	10.57	0.18
						114	118	4	1.14	0.03
						118	123	5	15.42	0.43
						123	125	2	0.05	0.02

Hole ID	WGS 84 UTM - Zone 37s		Dip	Azimuth	EOH Depth (m)	From (m)	To (m)	Interval (m)	Average TGC %	Average V_2O_5 %
	Easting	Northing								
MODD022	485181	8563465	55	55	161.29	22	23	1	14.21	0.40
						23	24	1	0.05	0.09
						24	34	10	16.43	0.32
						34	38	4	1.77	0.21
						38	41	3	14.08	0.60
						41	42	1	1.67	0.51
						42	66	24	15.52	0.41
						66	67	1	2.83	0.16
						67	78	11	15.92	0.43
						78	79	1	5.09	0.08
						79	93	14	15.90	0.40
						93	94	1	0.41	0.02
						94	110	16	16.17	0.38
						110	116	6	6.02	0.22
						116	132	16	9.71	0.26
						132	133	1	0.21	0.03

Hole ID	WGS 84 UTM - Zone 37s		Dip	Azimuth	EOH Depth (m)	From (m)	To (m)	Interval (m)	Average TGC %	Average V_2O_5 %
	Easting	Northing								
MODD030	485029	8563297	55	93	95.54	7	20	13	14.16	0.33
						20	21	1	3.88	0.42
						21	25	4	12.26	0.25
						25	27	2	2.58	0.12
						27	35	8	13.30	0.31
						35	42	7	3.44	0.27
						42	49	7	12.03	0.34
						49	51	2	4.41	0.22
						51	57	6	15.77	0.29
						57	60	3	3.64	0.33
						60	61	1	19.30	0.35
						61	62	1	5.09	0.14
						62	65	3	12.27	0.30
						65	95.54	30.54	3.09	0.09

Hole ID	WGS 84 UTM - Zone 37s		Dip	Azimuth	EOH Depth (m)	From (m)	To (m)	Interval (m)	Average TGC %	Average V_2O_5 %
	Easting	Northing								
MODD031	485001	8563422	55	79	131.24	15.44	23	7.56	9.98	0.27
						23	30	7	17.49	0.42
						30	31	1	1.23	0.63
						31	33	2	18.25	0.40
						33	36	3	6.37	0.09
						36	48	12	22.67	0.35
						48	49	1	2.37	0.06
						49	51	2	17.25	0.27
						51	56	5	6.14	0.18
						56	90	34	16.51	0.41
						90	94	4	0.30	0.02
						94	100	6	12.96	0.37
						100	101	1	0.69	0.03
						101	121	20	7.89	0.17
						121	124	3	2.48	0.09
						124	131.24	7.24	12.53	0.30

Hole ID	WGS 84 UTM - Zone 37s		Dip	Azimuth	EOH Depth (m)	From (m)	To (m)	Interval (m)	Average TGC %	Average V2O5 %
	Easting	Northing								
MODD032	485085	8563199	55	63	87.59	6	7	1	0.43	0.19
						7	23	16	15.06	0.28
						23	25	2	3.54	0.19
						25	63	38	12.00	0.26
						63	69	6	3.71	0.17
						69	71	2	17.15	0.70
						71	73	2	0.96	0.04

JORC CODE, 2012 EDITION – TABLE 1

Appendix to Graphite Announcement – 27 June 2018

Section 1: Sampling techniques and data.

Criteria	JORC Code Explanation	MUS Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	**2015 Field Program** Samples have been taken from a Reverse Circulation (RC) drillhole (MORC004) which was drilled by Mitchell Drilling, an Australian company with a regional presence in Mozambique. Reverse circulation drilling was used to collect 1m samples (roughly 35kg) by an air cyclone which was reduced to a 3kg sample by riffling. The drillhole collar location was generated based on results from a recently flown airborne SkyTEM EM survey (refer to previous MUS ASX announcements). A total of 77 intervals from RC drillhole MORC-004 were selected for sampling. Drillhole intervals were selected for sampling based on geological logging and samples showing no clear evidence of graphite mineralisation have been excluded (except 1m into barren zones) from the analysis completed by SGS Randfontein, an accredited laboratory. The samples were riffle split on a 50:50 basis, with one split pulverised and analysed for Total Graphitic Carbon (TGC), Total Carbon (TC) and Total Sulphur (TS) using a Leco Furnace, and the remaining split held in storage. **2016 Field Program** Five cored boreholes were drilled as part of the 2016 field program for the Caula deposit. The diamond drilling (DD) was completed using a Boart Longyear LF 90 drill-rig and the core was recovered with HQ (III) equipment. The contractor used for the 2016 drill program is Major Drilling Group International, a Canadian-based operation with a local presence in Mozambique. • Drillhole collar locations were generated based on results from a flown airborne SkyTEM EM survey which was completed during 2015 (refer to previous MUS ASX announcements). • Sampling is of HQ (III) DD core. A total of 298m of mineralisation were sampled over five DD boreholes. One DD hole (MOD004) have been twinned with an existing RC hole (MORC004) for lithology and grade verification. • The core is photographed in sequence as the core is packed into the core trays at the drill site. • The recovered DD core is cut lengthwise with a core splitting saw to produce 1m samples. Where lithological boundaries did not fit the 1m geometry or at end of hole sampling, the sample length was to be a minimum of 0.42m or a maximum of 1.68m. • Core is halved for normal analyses. In the case of duplicate analyses (1 in 20), the core is quartered. In total 933kg of sample (Including duplicates) was taken over 296 samples for chemical analyses. • The remaining core is halved in the mineralised zones to provide a quartered sample for metallurgical analysis. In total 334kg of sample over 296 samples was taken for metallurgical testwork. • The remaining quarters and halves are retained in stratigraphic sequence in the core trays. The remaining core has been photographed, and the trays wrapped in cling-film, before it was put in container storage on site at the Mustang camp outside Montepuez. • Samples were submitted for LECO analyses. Mineralised zone core as well as 1m boundaries into non-mineralised zone core were submitted for analysis. • Initial metallurgical analysis and flow-sheet testwork was performed on 2 composited samples. The sampling was split between the oxidised and fresh mineralised zones.

Criteria	JORC Code Explanation	MUS Commentary
		<u>2017 Field Program</u> Eleven cored boreholes were drilled as part of the 2017 field program for the Caula deposit. The diamond drilling (DD) was completed using Boart Longyear LF 90 drill-rigs and the core was recovered with PQ (III) and HQ (III) equipment. The contractor used for the 2017 drill program is Major Drilling Group International, a Canadian based operation with a local presence in Mozambique. • Drillhole collar locations were generated based on results from a flown airborne SkyTEM EM survey which was completed during 2015 (refer to previous MUS ASX announcements), and from the 2016 core drilling program. • Sampling is of PQ (III) and HQ (III) DD core. Sampling has been completed. • The core is photographed in sequence as the core is packed into the core trays at the drill site. • The recovered DD core is cut lengthwise with a core splitting saw to produce 1 m samples. Where lithological boundaries did not fit the 1m geometry or at end of hole sampling, the sample length was to be a minimum of 0.50m or a maximum of 2.00m. • Core is halved for normal analyses. In the case of duplicate analyses (1 in 20), the core is quartered. • The remaining core is halved in the mineralised zones to provide a quartered sample for metallurgical analysis. • The remaining quarters and halves are retained in stratigraphic sequence in the core trays. The remaining core has been photographed, and the trays wrapped in cling-film, before it is put in container storage on site at the Mustang camp outside Montepuez. • Samples were submitted for LECO analyses. Mineralised zone core as well as 1 m boundaries into non-mineralised zone core were submitted for analysis.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	**<u>2015 Field Program</u>** Reverse circulation drilling was used to drill a 5.5 inch diameter borehole (MORC004). RC drill chips were collected by an air cyclone at 1m intervals for logging and sampling. Approximately 35kg per metre was collected by an air cyclone which was reduced to a 4kg sample by riffling. Reflex Ezy shot tools were used to take down-hole survey measurements to record drillhole azimuth and dip. **<u>2016 Field Program</u>** • The core drilling was completed with a Boart Longyear LF-90 drilling rig. The drilling equipment was HQ (III) sized. • Drilling was planned to be as close to perpendicular as possible to strike, and as close as possible to true width intersections. • The borehole dip and azimuth was surveyed at 3m intervals from the bottom of the borehole with a Reflex EZ-Trac tool. The maximum deviation from the planned azimuth was measured at 6º in MODD003. The maximum deviation from the planned dip was measured at 5º in MODD004. • Final borehole collar positions were surveyed with a handheld GPS survey instrument, and the collar elevations were projected from the DEM as generated during the SkyTEM survey in 2015. • The core was oriented with a Reflex Tool. **<u>2017 Field Program</u>** • The core drilling was completed with Boart Longyear LF-90 drilling rigs. The drilling equipment was PQ (III) and HQ (III) sized. • Drilling was planned to be as close to perpendicular as possible to strike, and as close as possible to true width intersections. • The borehole dip and azimuth was surveyed at 3 m intervals from the bottom of the borehole with a Reflex EZ-Trac tool. • Final borehole collar positions were surveyed with a handheld GPS survey instrument, and the collar elevations were projected from the DEM as generated during the SkyTEM survey in 2015. • The core was oriented with a Reflex Tool.

Criteria	JORC Code Explanation	MUS Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**<u>2015 Field Program</u>** The condition and qualitative estimates of RC sample recovery for MORC004 were determined through visual inspection of the 1m sample bags and recorded at the time of sampling. A hard copy and digital copy of the sampling log are maintained for data verification. Recovery has been good with 35kg + being returned per metre drilled. Due to the early stage of exploration work for the Caula project, no relationship between sample recovery and grade is known to exist at this point. **<u>2016 Field Program</u>** The condition and qualitative estimates of DD sample recovery were determined through visual inspection and measurement of the drilling core runs and recorded at the time of recovery at the drill rig. A hard copy and digital copy of the sampling log are maintained for data verification. • Core recovery measurements are recorded for every borehole. • Where recoveries were found to be less than 95%, the drill runs were shortened to 1m, and drilling speed lowered to improve recovery. • In some instances in the oxidised zone (faulting, jointing and severe oxidation), core losses were unavoidable. These losses are recorded, and have been zero rated in terms of grade for the modeling of the Caula graphite resource. The average core recovery for the oxidised zone is 83.1%. • Recoveries in the fresh zone were very good at an average of 98.8%. **<u>2017 Field Program</u>** The condition and qualitative estimates of DD sample recovery were determined through visual inspection and measurement of the drilling core runs and recorded at the time of recovery at the drill-rig. A hard copy and digital copy of the sampling log are maintained for data verification. • Core recovery measurements are recorded for every borehole. • Where recoveries were found to be less than 95%, the drill runs were shortened to 1 m, and drilling speed lowered to improve recovery. • In some instances in the oxidised zone (faulting, jointing and severe oxidation), core losses were unavoidable. These losses are recorded, and have been zero rated in terms of grade for the modeling of the Caula graphite resource. The average core recovery for the oxidized zone is 91%. • Recoveries in the fresh zone were very good at an average of 98%.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	**<u>2015 Field Program</u>** RC drill-chip samples were geologically logged by trained geologists. The drillhole (MORC004) is considered by MUS to be part of a maiden drill program aimed at identifying shallow graphite mineralisation. Mustang used the results from this maiden program to prioritise target areas, which then become the focus of the 2016 drillhole definition programs. Whilst the aim of this maiden drill program was not to produce a Mineral Resource estimate MORC004 was used for resource estimation purposes in this resource estimate. Logging of RC drill holes includes recording of lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. RC Chip trays are photographed. Geological descriptions and estimates of visual graphite percentages on preliminary logs are semi-quantitative. All drillholes were logged in full. **<u>2016 Field Program</u>** • All holes drilled were logged in full and sampled by the site geologists. • All the logged information which includes depth, lithology, mineral assemblage, structural information, Cg mineralisation (laboratory data), collar survey and logging geologists are recorded in the field logging sheets and in digital format. • The recovered core is recorded in sequence as digital photographs. • The analytical samples were shipped by road to the SGS Randfontein laboratory in South Africa for analysis. The analyses were

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		completed by SGS Randfontein, and have been used to estimate the grade of the Caula deposit in this CPR. • Umpire samples have been identified and were dispatched to Bureau Veritas in Centurion. These analyses have been completed and are included in the CPR. • The samples for metallurgy testwork were dispatched via South Africa to SGS Malaga in Perth, Australia. The testwork has been completed and these results have been included in this CPR. • The remaining core is in storage at the Mustang Exploration Camp near Montepuez in Mozambique. The remaining core is also recorded in sequence in digital photograph format. **2017 Field Program** • All holes drilled were logged in full and sampled by the site geologists. • All the logged information which includes depth, lithology, mineral assemblage, structural information, Cg mineralisation (laboratory data), collar survey and logging geologists are recorded in the field logging sheets and in digital format. • The recovered core is recorded in sequence as digital photographs. • The analytical samples are to be shipped by road to the SGS Randfontein laboratory in South Africa for analysis. The analyses are to be completed by SGS Randfontein, and will be used to enhance the initial estimate of the grade of the Caula deposit in the next CPR update. • Umpire samples have been identified and have been dispatched to Bureau Veritas in Centurion. • The samples for metallurgy testwork were submitted for test work once the analytical results are available. The remaining core is in storage at the Mustang Exploration Camp near Montepuez in Mozambique. The remaining core was also recorded in sequence in digital photograph format.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	**2015 Field Program** RC samples were collected on the rig using riffle splitters to reduce the sample mass from 35kg to 4kg. Sample preparation of the RC chip samples follows industry best practice in sample preparation involving oven drying (105ºC), split (300g) and pulverising to a grind size of 85% passing 75 micron. The sample preparation for RC samples follows industry best practice. Field QC procedures were adopted as follows: • Insertion rate for blanks - 5% (1 in 20) • Insertion rate for standards - 5% (1 in 20) • Insertion rate for duplicates - 5% (1 in 20) • Umpire duplicates - 5% (1 in 20) Two CRM (GGC004 and GGC009) were obtained from Geostats Pty Ltd to monitor analysis of laboratory for graphitic carbon, carbon and sulphur. 1m RC composite sampling has been undertaken for this phase of the exploration program. **2016 Field Program** The majority of samples were moist (from the DD process) at recovery, with ambient temperatures sufficiently high to dry the oxidised core before the commencement of sampling. Field QC procedures were adopted as follows over and above the laboratory internal controls: • Insertion rate for blanks – at least 5% (1 in 20) • Insertion rate for standards – at least 5% (1 in 20) • Insertion rate for duplicates – at least 5% (1 in 20) • Umpire duplicates – at least 5% (1 in 20) • Four Graphite standards (GGC008, GGC005, GGC003 and GGC002) were obtained from Geostats Pty Ltd to monitor analysis by the laboratory for graphitic carbon, carbon and sulphur. As far as possible 1m DD composite sampling has been undertaken for this phase of the exploration program. • The core is split by saw and half core is submitted for analyses generally as 1m samples. When a duplicate sample is submitted, the

Criteria	JORC Code Explanation	MUS Commentary
		core is quartered. • Mineralised samples are submitted for LECO analyses as well as for ICP Multi-element analyses. • Within the total samples dispatched a random sequence of at least 5% each of standards, blanks and duplicates are included. • Sample preparation is done by SGS in Johannesburg, before the prepared samples are analysed for content determination. • Sampling procedure include drying, crushing, splitting and pulverizing ensures that 85% of the sample is 75 micron or less in size. A split of the sample is analysed using a LECO analyser to determine carbon in graphite content. • The sample procedure standards followed are internal to SGS and are listed below: • WGH 79 (Receive Sample Weight), SCR 32 (Sample Screening), CSA01V (Total Carbon by LECO), CSA05V (Graphitic Carbon by LECO), CSA06V (Sulphur by LECO). • QC measures include the submission of duplicate samples (5% of samples), blanks (5% of samples) and standards (5% of samples) over and above the internal controls at SGS. • The smallest core sample dimension after cutting is 29mm. The largest category flake size is > 8 mesh or 2.38mm. The sample size exceeds the target material size comfortably. • The metallurgical samples consist of quartered core, sampled and bagged generally per metre. • Sampling for metallurgical testing is complete, and included; Receipt of graphite samples, Formation of composites, Bond rod mill grindability, Head assay, Particle size distribution (PSD) and fraction assay on head samples, Rougher flotation, Rougher and multiple re-grind and cleaner flotation, Final concentrate PSD and fraction assays. • The metallurgical composites were batched by the laboratory metallurgists once the results from the initial laboratory work at SGS Randfontein had been received. **2017 Field Program** The majority of samples were moist (from the DD process) at recovery, with ambient temperatures sufficiently high to dry the oxidised core before the commencement of sampling. Field QC procedures were adopted as follows over and above the laboratory internal controls: • Insertion rate for blanks – at least 5% (1 in 20) • Insertion rate for standards – at least 5% (1 in 20) • Insertion rate for duplicates – at least 5% (1 in 20) • Umpire duplicates – at least 5% (1 in 20) • Four Graphite standards (GGC008, GGC005, GGC003 and GGC002) were obtained from Geostats Pty Ltd to monitor analysis by the laboratory for graphitic carbon, carbon and sulphur. As far as possible 1m DD composite sampling has been undertaken for this phase of the exploration program. • The core is split by saw and half core is submitted for analyses generally as 1 m samples. When a duplicate sample is submitted, the core is quartered. • Mineralised samples are submitted for LECO analyses as well as for ICP Multi-element analyses. • Within the total samples dispatched a random sequence of at least 5% each of standards, blanks and duplicates are included. • Sample preparation is done by SGS in Johannesburg, before the prepared samples are analysed for content determination. • Sampling procedure include drying, crushing, splitting and pulverizing ensures that 85% of the sample is 75 micron or less in size. A split of the sample is analysed using a LECO analyser to determine carbon in graphite content. • The sample procedure standards followed are internal to SGS and are listed below: • WGH 79 (Receive Sample Weight), SCR 32 (Sample Screening), CSA01V (Total Carbon by LECO), CSA05V (Graphitic Carbon by LECO), CSA06V (Sulphur by LECO).

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		• QC measures include the submission of duplicate samples (5% of samples), blanks (5% of samples) and standards (5% of samples) over and above the internal controls at SGS. • The smallest core sample dimension after cutting is 29mm. The largest category flake size is > 8 mesh or 2.38mm. The sample size exceeds the target material size comfortably. • The metallurgical samples consist of quartered core, sampled and bagged generally per metre. • Sampling for metallurgical testing is complete, and included; Receipt of graphite samples, Formation of composites, Bond rod mill grindability, Head assay, Particle size distribution (PSD) and fraction assay on head samples, Rougher flotation, Rougher and multiple re-grind and cleaner flotation, Final concentrate PSD and fraction assays. The metallurgical composites will be batched by the laboratory metallurgists once the results from the initial laboratory work at SGS Randfontein had been received.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	**2015 Field Program** A total 77 samples were analysed by SGS Laboratories in South Africa for Total Graphitic Carbon (TGC), Total Carbon (TC) and Total Sulphur (TS) using a Leco Furnace. Detection limits for these analyses are considered appropriate for the reported assay grades and adequate for this phase of the exploration program. No geophysical tools were used to determine any element concentrations. The assaying and laboratory procedures used are appropriate for the material tested. SGS carried out sample preparation checks for fineness as part of their internal procedures to ensure the grind size of 85% passing 75 micron was being attained. Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, and repeats as part of their in-house procedures. **2016 Field Program** • All samples are labelled with a unique sequential number with a sample ledger recording all samples. • QA/QC samples are included in a random sequence at a frequency of at least 5% each for standards, blanks and duplicates. • The laboratory uses internal standards in addition to the standards, blanks and duplicates inserted by Mustang. • The standards are supplied by an external and independent third party. Four standards were used for the laboratory testwork; GGC-08 and GGC-05, GGC-03 and GGC-02. • The blanks are made up from non- graphitic rock. The duplicates are a quartered sample of the original halved cores. The umpire samples were selected from the prepared pulps of initial samples. • The detection limits are deemed sufficient for the purpose of the Caula Mineral Resource estimation. • The samples were analysed by SGS, with sample preparation done at the Randfontein laboratory in Johannesburg. Sampling procedures are listed above and includes drying, crushing, splitting and pulverizing such that 85% of the sample is 75 micron or less in size. A split of the sample will be analysed using a LECO analyser to determine carbon in graphite carbon content. • Laboratory testwork was completed during the first quarter of 2017, and the Metallurgy testwork followed on in the second quarter of 2017. **2017 Field Program** • All samples are labelled with a unique sequential number with a sample ledger recording all samples. • QA/QC samples are included in a random sequence at a frequency of at least 5% each for standards, blanks and duplicates. • The laboratory uses internal standards in addition to the standards, blanks and duplicates inserted by Mustang.

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		• The standards are supplied by an external and independent third party. Four standards were used for the laboratory testwork; GGC-08 and GGC-05, GGC-03 and GGC-02. • The blanks are made up from non- graphitic rock. The duplicates are a quartered sample of the original halved cores. The umpire samples were selected from the prepared pulps of initial samples. • The detection limits are deemed sufficient for the purpose of the Caula Mineral Resource estimation. • The samples were analysed by SGS, with sample preparation done at the Randfontein laboratory in Johannesburg. Sampling procedures are listed above and includes drying, crushing, splitting and pulverising such that 85% of the sample is 75 micron or less in size. A split of the sample were analysed using a LECO analyser to determine carbon in graphite carbon content. Laboratory testwork were completed during the second quarter of 2018, and the Metallurgy testwork followed on in the second quarter and third quarter of 2018.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	**<u>2015 Field Program</u>** Mr. Johan Erasmus, an independent geologist, visually verified the geological observations reported in the RC drillhole (MORC004). No twin holes have been drilled up to the end of the 2015 program. Sample information is recorded at the time of sampling in electronic and hard copy form. Data is documented by Mr. Johan Erasmus and primary data is kept in a Microsoft Access database. A copy of the data is stored in Mr. Erasmus' office as well as in Mustang's office in Pretoria, RSA. Verification was based on the use of duplicates, standards and blanks. Assay data was reported as received from the laboratory. No adjustments or calibrations have been made to any assay data. The laboratory data from borehole MORC004 was included in the resource estimation for the Caula graphite project. **<u>2016 Field Program</u>** • The Exploration Manager and field geologists are in the employment of Mustang, and external oversight is established with the contracting of Sumsare Consulting, a South-African consulting company. Sumsare is supplying an external Competent Person. • The twinning of RC boreholes was done by DD in 1 instance as a correlation exercise. MODD004 was drilled as a duplicate for MORC004. A comparison of the analytical data obtained from these twinned holes was completed and statistically these samples were found to be sets from the same population (95% confidence). • The primary data is kept in the company office in Pretoria under the custodianship of the Exploration Manager. The CP has a duplicate dataset at his office in South Africa, and the company has a data set in the Australian office. • Assay data is not adjusted, and is released to the market as it is received from the laboratory. **<u>2017 Field Program</u>** • The Exploration Manager and field geologists are in the employment of Mustang, and external oversight is established with the contracting of Sumsare Consulting, a South-African consulting company. Sumsare is supplying an external Competent Person. • The primary data is kept in the company office in Pretoria under the custodianship of the Exploration Manager. The CP has a duplicate dataset at his office in South-Africa, and the company has a dataset in the Australian office. • Assay data is not adjusted, and is released to the market as it is received from the laboratory.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations*	**<u>2015 Field Program</u>** Collar locations were surveyed with a Garmin 62/64s GPS Device. The Garmin devices typically have an error of +/- 7m. All spatial data was collected in WGS 84 and the datum used is UTM Zone 37 South.

Criteria	JORC Code Explanation	MUS Commentary
	used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	A DEM surface was produced by SkyTEM as part of the recent (2015) airborne geophysics program completed by Mustang. **<u>2016 Field Program</u>** A hand-held Garmin 62/64s GPS was used to site the drill holes (x, y horizontal error of 7 metres) and reported using WGS 84 grid and UTM datum zone 37 south. • Topographic control is good due to the SkyTEM survey that was completed during 2015. A DEM surface was produced by SkyTEM as part of the EM geophysics program. • The borehole dip and azimuth was surveyed at 3 m intervals from the bottom of the borehole with a Reflex EZ-Trac tool. • Final borehole collar positions are to be surveyed with a differential GPS survey instrument, by an independent external surveyor. • The core was oriented with a Reflex Tool. **<u>2017 Field Program</u>** A hand-held Garmin 62/64s GPS was used to site the drill holes (x, y horizontal error of 7 metres) and reported using WGS 84 grid and UTM datum zone 37 south. • Topographic control is good due to the SkyTEM survey that was completed during 2015. A DEM surface was produced by SkyTEM as part of the EM geophysics program. • The borehole dip and azimuth was surveyed at 3 m intervals from the bottom of the borehole with a Reflex EZ-Trac tool. • Final borehole collar positions were surveyed with a differential GPS survey instrument, by an independent external surveyor. The core was oriented with a Reflex Tool.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	**<u>2015 Field Program</u>** MORC004 was drilled at an inclination of on average at -77 degrees. Due to the early stage of the exploration program, there is no nominal sample spacing. This borehole has been included in the 2017 resource estimation for the Caula project, since additional drilling was completed during 2016. Drillhole collars have been planned to test EM anomalies. Samples have been composited to a maximum of one metre for the RC samples. **<u>2016 Field Program</u>** • The spacing of the five DD drillholes was at a grid of approximately 133m. • All five of the DD drillholes were inclined on average at between -55º to 60º. The collar details are tabulated in Appendix 1. • Sample compositing for the DD program has not been applied. **<u>2017 Field Program</u>** • The spacing of the eleven DD drillholes was at a grid of approximately 133m. • All eleven of the DD drillholes were inclined on average at between -55º to 60º. The collar details are tabulated in Appendix 1. Sample compositing for the DD program has not been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	**<u>2015 Field Program</u>** The orientation of the RC holes were designed based on regional geology interpretations and designed to test the broad stratigraphy. The collar details are tabulated in Appendix 1. No sampling bias is considered to have been introduced at this early stage of the project. **<u>2016 Field Program</u>** • The orientation of the DD holes were planned based on the regional geology interpretation and planned to test the broad stratigraphy. The collar details are tabulated in Appendix 1. • No sampling bias is considered to have been introduced at this early stage of the project. • From the previous surface mapping of the area, the regional foliation dips at steep angles of between 50 and 70 degrees to the west.

Criteria	JORC Code Explanation	MUS Commentary
		• The drilling was hence planned at an inclined orientation of 55º from the horizontal in an easterly direction across strike. From prior experience, drilling at angles shallower than 55º is usually problematic. The SkyTEM EM data was used to fix a strike direction. • The borehole dip and azimuth was surveyed at 3m intervals from the bottom of the borehole with a Reflex EZ-Trac tool. • Final borehole collar positions are to be surveyed with a differential GPS survey instrument, by an independent external surveyor. • The core was oriented with a Reflex Tool. • The structural analysis shows a regional foliation dip at an average of 59º. So far an association between structure and Cg grade has not been established, but hinge zones are suspected to improve Cg grades, and potentially flake sizes. **2017 Field Program** • The orientation of the DD holes were planned based on the regional geology interpretation and planned to test the broad stratigraphy. The collar details are tabulated in Appendix 1. • No sampling bias is considered to have been introduced at this stage of the project. • From the previous surface mapping of the area, the regional foliation dips at steep angles of between 50 and 70 degrees to the west. • The drilling is hence planned at an inclined orientation of 55º from the horizontal in an easterly direction across strike. From prior experience, drilling at angles shallower than 55º is usually problematic. The SkyTEM EM data was used to fix a strike direction. • The borehole dip and azimuth was surveyed at 3m intervals from the bottom of the borehole with a Reflex EZ-Trac tool. • Final borehole collar positions were surveyed with a differential GPS survey instrument, by an independent external surveyor. • The core is oriented with a Reflex Tool.
Sample security	• *The measures taken to ensure sample security.*	**2015 Field Program** • Samples were stored at the company's field base in a locked and sealed shipping container until it was dispatched to the laboratory in Johannesburg. • Samples were transported in sealed containers by road to South Africa for analysis. The sample export procedure as required by the Mozambican government was followed, and the samples were delivered to SGS in Johannesburg for analysis. • No signs of tampering were reported by the laboratory upon sample receipt. **2016 Field Program** • Samples were stored at the company's field base until dispatched to the laboratory. Samples were transported in sealed containers by road, to South Africa for analysis. • The sample export procedure as required by the Mozambican government was followed, and the samples were delivered to SGS in Johannesburg for analysis. • The sample logistics between Mozambique and South Africa are handled in-house by Mustang. • No signs of tampering were reported by the laboratory upon sample receipt. • The samples for metallurgical testwork were shipped via South Africa to SGS Malaga in Perth. • The sample export procedure as required by the Australian government was followed, and the samples were delivered to SGS Malaga in Perth for analysis. • No signs of tampering were reported by the laboratory upon sample receipt. • The remaining core is kept in a safe facility under guard at the site office in Montepuez in Mozambique. **2017 Field Program** • Samples are stored at the company's field base until dispatched to the laboratory. Samples are transported in sealed containers by road to South Africa for analysis.

Criteria	JORC Code Explanation	MUS Commentary
		• The sample export procedure as required by the Mozambican government is followed, and the samples are delivered to SGS in Johannesburg for analysis. • The sample logistics between Mozambique and South-Africa are handled in-house by Mustang. The remaining core is kept in a safe facility under guard at the site office in Montepuez in Mozambique.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits have been undertaken up to this stage of work.

Section 2: Reporting of exploration results

Criteria	Explanation	MUS Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Mustang's Caula Graphite Project area consists of one prospecting & exploration licence 6678L covering a total area of 3 185.76ha. The Licence is held in the name of Tchaumba Minerais S.A. Mustang Resources holds an 80% interest in Tchaumba Minerais S.A. via its wholly owned subsidiaries Balama Resources Pty Ltd (Australia) and Mustang Graphite Lda. The supporting documents are attached in Appendix 6. Refer to ASX announcement dated 20 October 2014 for full details regarding ownership and earn-in rights. All statutory requirements were acquired prior to exploration work. All licences have been awarded and issued The Company is not aware of any impediments relating to the licence or the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	No prior exploration work done by other parties on the licence areas except for the 1:250,000 geological maps generated by the Government of Mozambique and country wide airborne magnetics and radiometric geophysical surveys flown over the region by the Government of Mozambique.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The area is predominantly underlain by Proterozoic rocks that form a number of gneiss complexes that range from Palaeo to Neoproterozoic in age (Boyd et al., 20 10). The Mustang project area is underlain by metamorphic rocks of the Neoproterozoic Lurio Group within the Xixano Complex (Brice, 2012) in north-eastern Mozambique. The Xixano complex is composed dominantly of mafic to intermediate orthogneiss with intercalations of paragneiss, meta-arkose, quartzite, tremolite-rich marble and graphitic schist. Graphite rich units are comprised of sequences of metamorphosed carbonaceous pelitic and psammitic (sandstone) sediments within the Proterozoic Mozambique Belt (Brice, 2012). The metamorphic grade is typically of amphibolite facies.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the*	Ten RC holes were drilled in late 2015 as part of an EM survey verification drilling program. Refer to ASX announcement dated 10 June 2015 for further information and results. Only one of these holes (MORC004) is used in this estimate. All the other holes were drilled on adjacent areas. Seven DD boreholes were drilled between October and November of 2016. These holes were drilled to draw a comparison with some of the RC holes drilled during 2015, and to collect data for an initial JORC (2012) compliant resource statement. Five of these boreholes were used in this resource estimate. The remaining two DD boreholes were drilled on adjacent areas. Eleven DD boreholes were drilled during November and December 2017. These holes were drilled to collect data for an updated JORC (2012) compliant resource statement. Information pertaining to drilling completed and used in this CPR is provided in Appendix 1 and Appendix 2.

Criteria	Explanation	MUS Commentary
	report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Weighted average was applied for sample length. No grade truncations were applied. Grade-tonnage curves were produced and could be used to determine the effect of cut-off grades on remaining mineralised tonnages. The calculated grade is weighted for representative mass, as calculated in Voxler.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg'down hole length, true width not known').*	No relationship between mineralisation widths and intercept lengths is known at this stage. Assay grades have been reported and tabulated by sample interval for the 2014 drill program and are reported in ASX announcement dated 10 June 2015. These results are not used in this estimate. Assay grades have been reported and tabulated by sample interval for the 2015 drill program and are reported in ASX announcement dated 10 June 2015. Only the results from Borehole MORC004 are used in this estimate. The cored DD program for 2016 has been completed with structural data collected from orientated core intersections. The structural analysis shows foliation that follows the regional orientation of the mineralised zones. The mineralised zone dips at an average of 59° to the west. Analytical results have been received from both the laboratory and metallurgical testwork. The laboratory and metallurgy work was completed during 2017. The cored Dprogram for 2017 has been completed with structural data collected from orientated core intersections. The structural analysis is in progress. Samples will be submitted for laboratory and metallurgy testwork.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate sections plans and diagrams are included in the body of the initial CPR.

Criteria	Explanation	MUS Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The report is considered to be balanced. The 2015 drilling and sampling results have been reported in the ASX announcement dated 10 June 2015. Borehole MORC004 was used in this CPR, since it occurs within the Caula project area. The 2016 drilling and sampling results for five boreholes were used in this CPR. These five boreholes occur within the Caula project area. Core from these five boreholes were used to determine Total Graphitic Carbon content.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Regional geological mapping and regional airborne geophysics (magnetics and radiometrics) have been obtained from the Mozambican Government. In addition, Mustang commissioned an airborne EM geophysics survey (SkyTEM) across 6678L and the adjacent tenements. The geophysics datasets were used to aid in interpretations and plan the 2015 and 2016 drill-hole programs' collar locations. Laboratory analyses were performed by SGS Randfontein in Johannesburg, and % Total Graphitic Carbon, % Total Carbon and % Total Sulphur was analysed for. No bulk samples have been taken. Metallurgical testwork was completed on composite samples made up from quartered core samples of the five cored boreholes. Clays in the oxidised zone (that increase settling times) have been observed as potential deleterious materials as part of this testwork. Eleven boreholes were completed during 2017. These boreholes are in the process of being sampled. Groundwater work and Geotechnical work have not yet been undertaken. The first metallurgy testwork was completed by SGS Malaga in Perth. This was standard testwork requested to establish the metallurgical properties of this deposit before advanced flow-sheet development can be undertaken. The composited samples were tested for grindability and the Bond rod mill index suggests that the Caula host rock is softer than comparable graphite deposits. The settling time for the oxidised composite sample was noted to be longer due to the presence of clays in this zone. Testwork on Met Sample 2 indicates that the sample is very amenable to beneficiation by froth flotation realising a final concentrate stream grading 94.9% TGC at 96.3% recovery. After screening of the concentrate, >50% of the concentrate falls in the large and extra-large flake classes and was upgraded to >97% TGC. Testwork on Met Sample 1 indicates that the sample is amenable to beneficiation by froth flotation using a single stream flotation scheme, realising a final concentrate stream grading 97.5% TGC at 80.3% recovery. After screening of the concentrate, >43% of the concentrate falls in the large and extra-large flake classes and was upgraded to >97% TGC. Subsequent to the completion of the initial metallurgical testwork, an optimisation program was completed by Wave International and IMO which indicates that the + 180 micron flake from the oxide material can be upgraded to 98% TGC. Quarter core from all of the 2017 drilling was sent to Nagrom Laboratories, Perth for metallurgical testwork during 2018. This core has been catalogued and composites of core, representing various styles of mineralisation, have been selected for a range of metallurgical testwork. Three levels of compositing are being implemented, the first level combines samples from a continuous intersection in a single borehole. The next level combines similar samples (in terms of grade and oxidation) from zones of boreholes. The third level combines similar samples (in terms of grade and oxidation) into master composites. A first level composite of core was selected to test the amenability of the deposit to sensor based ore sorting. The sample selected was a continuous portion of quartered NQ diamond drill core from 58m to 88m downhole in borehole MODD015. The sample was chosen to represent fresh material with moderate grades of graphite and vanadium and no visible barren rock intersections.

Criteria	Explanation	MUS Commentary
		First level core composites from borehole MODD015 were also used for a preliminary investigation of the treatment characteristics of the deposit in the area covered by the 2017 drill program. Three composite samples were made up from continuous portions of diamond drill core. The oxide and transition samples were from 17 to 30, and 37 to 57 meters respectively. The fresh composite was a sub sample of the composite used to evaluate sensor based ore sorting. Grinding and froth flotation testwork for graphite concentrate recovery was carried out at the Independent Metallurgy laboratory, Perth. Results of this work demonstrate significantly improved performance in terms of graphite concentrate sizing compared with all previous metallurgical testwork.
Further work	• *The nature and scale of planned further work (e.g tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The drilling of priority targets identified from the SkyTEM survey is ongoing. Additional areas on Prospecting Licences 5873L and 6678L have been identified for future drilling. Potential extensions with are discussed in the Interpretation and Conclusions in the CPR.