
MUSTANG RESOURCES LIMITED

ACN 090 074 785

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am

DATE: 20 November 2015

PLACE: Radisson Blu Hotel Sydney, 27 O'Connell Street Sydney, 2001

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 9347 2409.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am on 20 November 2015 at: Radisson Blu Hotel Sydney, 27 O'Connell Street, Sydney 2001.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am on 18 November 2015.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2015."

Note: the vote on this Resolution is, pursuant to section 250R(3) of the Corporations Act, advisory only and does not bind the Directors or the Company.

Voting Exclusion: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – IAN DAYMOND

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Ian Daymond, who was elected as a Director at the last annual general meeting and who retires under clause 6.1(f) of the Constitution, and being eligible, offers himself for re-election, be re-elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – ANDREW LAW

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Andrew Law, who was appointed by the Board as a director since the last annual general meeting and who retires under clause 6.1(e) of the Constitution, and being eligible, offers himself for election, be elected as a Director."

5. RESOLUTION 4 – ELECTION OF DIRECTOR – FRANK PETRUZZELLI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Frank Petruzzelli, who was appointed by the Board as a director since the last annual general meeting and who retires under clause 6.1(e) of the Constitution, and being eligible, offers himself for election, be elected as a Director."

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO TEXAKOMA OPERATING, LP

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the allotment and issue of 447,761 Shares, at an issue price of \$0.22 per Share, to Texakoma Operating, LP ("Texakoma") on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by Texakoma and any Associate of Texakoma.

The Company need not, however, disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote on, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. RESOLUTION 6 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

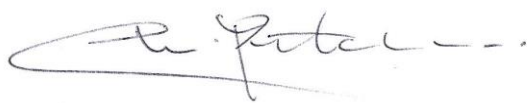
"That, for the purpose of Listing Rule 7.1A and all other purposes, the Shareholders hereby approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by any person who may participate in the issue of securities under the 10% Placement Capacity and any person who might obtain a benefit, except a benefit solely in the capacity of an ordinary security holder, if the Resolution is passed, and any Associate of those persons.

The Company need not, however, disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated: 16 October 2015

By order of the Board

A handwritten signature in dark ink, appearing to read 'Chris Ritchie', with a long horizontal flourish extending to the right.

**Chris Ritchie
Company Secretary**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://mustangresources.com.au/>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – IAN DAYMOND

Ian Daymond was appointed as a Director at the annual general meeting of the Company held on 28 November 2014. Under Clause 6.1(f) of the Constitution, an election of Directors must take place each year and at that meeting:

- (a) excluding any Director who is required to retire at the meeting under Clause 6.1(e) of the Constitution and the managing director or, if there is more than one managing director, the first of them to be appointed:
 - (i) one-third of the remaining Directors (rounded down, if necessary, to the nearest whole number); and
 - (ii) any other Director who, if he or she does not retire, will at the conclusion of the meeting have been in office for three or more years or for three or more annual general meetings since he or she was last elected to office, must retire as a Director; and
- (b) if no Director is required to retire under Clauses 6.1(e) or 6.1(f)(i), at least one Director, excluding the managing director (or if there is more than one managing director, the first of them to be appointed), must retire from office as a director.

Pursuant to Clause 6.1(f) of the Constitution, Mr Daymond retires as a Director by rotation and, being eligible, offers himself for re-election in accordance with Clause 6.1(i) of the Constitution. The other Directors recommend to the Shareholders that Mr Daymond be re-elected to the Board.

Mr Daymond has practiced as a solicitor and consultant with more than 35 years as an external or in-house lawyer in the mining and resources area. He was General Counsel and Company Secretary of Delta Gold Ltd for over 11 years which saw the company grow from a small gold explorer into one of the largest gold producers in Australia with significant platinum and gold mining interests in southern Africa. Mr Daymond has significant independent director experience, having served as a non-executive director on the Board of International Base Metals Ltd (which has substantial copper interests in Namibia), is the former chairman of Eldorado Mining Corporation Ltd (ASX:EDM), ActivEX Ltd (ASX:AIV) and Copper Range Ltd (ASX:CRJ) and is a former non-executive director of Hill End Gold Ltd (ASX: HEG).

Mr Daymond was the national chairman of the Australia-Southern Africa Business Council for 3 years and has substantial business, legal and corporate government experience, as well as substantial experience in respect of precious base metals and diamond projects, not only in Australia but also in southern Africa over the past 25 years. He is currently the Honorary Consul in NSW for the Republic of Botswana and a member of the Australia Africa Mining Industry Group which promotes corporate social responsibility principles amongst Australian mining companies with activities in Africa.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – ANDREW LAW

Clause 6.1(d) of the Constitution provides that the directors may appoint any natural person to be a director, either as an addition to the existing directors or to fill a casual vacancy. In addition, Clause 6.1(e) of the Constitution provides that a director, other than the managing director (or if there is more than one managing director, the first of them to be appointed), appointed under rule 6.1(d) must retire from office at the next annual general meeting following his or her appointment.

Mr Law was appointed to the board on 13 July 2015.

In accordance with clause 6.1(e) of the Constitution, Mr Law must retire at this Meeting and, being eligible, offers himself for election. The other Directors recommend to the Shareholders that Mr Law be elected to the Board.

Mr Law has over 30 years' experience in the mining industry in Australia, Africa and South America. He has extensive technical and management experience in Southern Africa with specific experience in alluvial diamond and graphite deposits.

Mr Law holds a Higher National Diploma in Mine Engineering (Witwatersrand) and a Master's degree in Business Administration (University of Western Australia). He is a Fellow and Chartered Professional of the AusIMM (CP Management), a Fellow of the Institute of Quarrying – Australia, a Member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Management.

5. RESOLUTION 4 – ELECTION OF DIRECTOR – FRANK PETRUZZELLI

Clause 6.1(d) of the Constitution provides that the directors may appoint any natural person to be a director, either as an addition to the existing directors or to fill a casual vacancy. In addition, Clause 6.1(e) of the Constitution provides that a director, other than the managing director (or if there is more than one managing director, the first of them to be appointed), appointed under rule 6.1(d) must retire from office at the next annual general meeting following his or her appointment.

Mr Petruzzelli was appointed to the board on 13 July 2015.

In accordance with clause 6.1(e) of the Constitution, Mr Petruzzelli must retire at this Meeting and, being eligible, offers himself for election. The other Directors recommend to the Shareholders that Mr Petruzzelli be elected to the Board.

Mr Petruzzelli is a principal of MDB Taxation & Business Services Pty Ltd, an Australian accounting firm. He is an accounting and management services specialist and advises ASX listed companies and large private organisations. Mr Petruzzelli holds a Bachelor of Business (Accounting) and is a Fellow of the National Taxation Institute of Australia and a Fellow of the Institute of Public Accountants.

Having previously served on the Board as a founding Director, Mr Petruzzelli was instrumental in the Company acquiring the graphite and diamond assets in Mozambique and is currently the Company's largest substantial shareholder with 17.85%.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO TEXAKOMA OPERATING, LP

6.1 General

On 3 July 2015, the Company announced that on 30 June 2015, the Company (through its subsidiary Yarras Texas, LLC) and Texakoma Operating LP, ("Texakoma") agreed to resolve a dispute in regards to a disputed debt of US\$558,000.

The Company paid US\$150,000 cash and issued 447,761 fully paid ordinary shares in the Company and assigned the Company's working interest in the Sugar Valley #1 well to Texakoma in full and final settlement of the dispute.

The Texakoma transaction concluded the Company's oil and gas operations in the United States other than monitoring some restoration projects.

6.2 Listing Rule 7.1 and 7.4

Listing Rule 7.1 provides, in summary, that a listed company may not issue Equity Securities in any 12 month period which exceed 15% of the number of issues securities of that company held at the beginning of the 12 month period, except with the prior approval of that company's shareholders in general meeting of the precise terms and conditions of the proposed issue.

Under Listing Rule 7.4, an issue of Equity Securities that has been made without prior approval under 7.1 can be subsequently ratified by shareholders (in which case it will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1).

Accordingly, the Company is now seeking to ratify the issue of the Shares by the Shareholders pursuant to Listing Rule 7.4. If Resolution 5 is approved, the Shares that were issued to Texakoma will not be included in any calculation of the 15% limit on the number of Equity Securities the Company may issue in any 12 month period.

6.3 Details of the Issue

Pursuant to, and in accordance with, Listing Rule 7.5, the information below is provided to Shareholders in relation to this Resolution 5:

- (a) 447,761 Shares were issued.
- (b) The Shares were issued at \$0.22 per Share.
- (c) The Shares issued were fully paid ordinary shares in the Company which rank equally with the Company's existing issued Shares.
- (d) The Shares were issued to Texakoma.
- (e) No funds were raised from the issue of the Shares to Texakoma. The Shares were issued in settlement of a dispute between the Company and Texakoma.

6.4 Voting Exclusion Statement

A voting exclusion statement is included in this Notice. Votes cast by Texakoma and any Associate of Texakoma will be disregarded (unless otherwise stated in this Notice).

7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY - SHARES

7.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**). The Company is an Eligible Entity.

If Shareholders approve Resolution 6, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 6 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

7.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012, and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$22.2m as at 15 October 2015. Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has two classes of Equity Securities on issue. The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$(A \times D) - E$

where:

- A = is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and

(iv) less the number of Shares cancelled in the previous 12 months.

D = is 10%.

E = is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rule 7.1 or 7.4.

7.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to, and in accordance with, Listing Rule 7.3A, the information below is provided to Shareholders in relation to this Resolution 6:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 7.3(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlines in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

This table also shows the voting dilution impact where the number of Shares on issue (variable 'A' in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on issue (variable 'A' in Listing Rule 7.1A.2)	Dilution			
	Issue Price (per Share)	\$0.123 (50% decrease in issue price)	\$0.245 (issue Price)	\$0.368 (50% increase in issue price)
90,679,097 (Current variable A)	Shares issued – 10% voting dilution	9,067,910	9,067,910	9,067,910
	Funds raised	\$1,110,819	\$2,221,638	\$3,332,457
136,018,646 (50% increase in variable A)	Shares issued – 10% voting dilution	13,601,864	13,601,864	13,601,864
	Funds raised	\$1,666,228	\$3,332,457	\$4,998,685
181,358,194 (100% increase in variable A)	Shares issued – 10% voting dilution	18,135,819	18,135,819	18,135,819
	Funds raised	\$2,221,638	\$4,443,276	\$6,664,913

Note: the number of Shares on issue (variable 'A' in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1

The table above uses the following assumptions:

- (i) There are currently 90,679,097 Shares on issue.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 15 October 2015.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting.
- (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution

caused to their own shareholding depending on their specific circumstances.

- (vii) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
- (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issue share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ix) The table does not show any example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets (funds would then be used for project, feasibility studies and ongoing project administration), and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments including previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties to the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) Previous Approval under Listing Rule 7.1A

Approval under Listing Rule 7.1A was obtained at the annual general meeting held by the Company on 28 November 2014.

In the 12 months preceding the date of the Annual General Meeting, the Company has issued 138,208,511 equity Securities which represents 1,743% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of the Equity Securities issued in the 12 month period are outlined in Schedule 1 to this Notice of Meeting.

(g) Compliance with Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to the ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market) in accordance with Listing rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

(h) Voting Exclusion Statement

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issued of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 7.1 of the Explanatory Statement.

AEDT means Australian Eastern Daylight Time as observed in Melbourne, Victoria.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Mustang Resources Limited (ACN 090 074 785).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity satisfying the description contained in section 7.2 of the Explanatory Statement.

Equity Securities means:

- (a) a share;
- (b) a unit;
- (c) a right to a share or unit or option;
- (d) an option over an issued or unissued security;
- (e) a convertible security; and
- (f) any security that ASX decides to classify as an equity security,

but not a security that ASX decides to classify as a debt security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2015.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Spill Meeting has the meaning given in section 2.2 of the Explanatory Statement.

Spill Resolution has the meaning given in section 2.2 of the Explanatory Statement.

Texakoma means Texakoma Operating, LP.

SCHEDULE 1: PREVIOUS ISSUE OF EQUITY SECURITIES UNDER LISTING RULE 7.1A

DETAILS OF EQUITY SECURITIES ISSUE IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING

Issue Date	Number	Type	The persons to whom the Equity Securities were issued or the basis on which those persons were determined	Issue Price	Discount to market price at issue date	Funds Raised	Use of Funds / Current Value of Non-cash consideration Use of Funds
7/3/2015	29,486,559	Shares	Issued to Convertible Loan holders on conversion including accrued interest	\$0.20	(1)	Nil	\$5,897,312
21/05/2015	17,500,000	Shares	Issued pursuant to Entitlement Prospectus.	\$0.20	(1)	\$3,500,000	Working Capital for the development of the Save River Diamond Project and Balama Graphite Project.
21/05/2015	2,245,607	Shares	Issued to Convertible Note holders on Conversion of Series 1,2 & 3 Convertible Notes including accrued interest	\$0.20	(1)	Nil	\$449,121
21/05/2015	750,000	Shares	Issued to Elba Investments Pty Ltd and Alimold Pty Ltd in settlement of loans made to Save River Diamonds Pty Ltd prior to acquisition.	\$0.20	(1)	Nil	\$150,000
21/05/2015	14,997,813	Shares	Issued to Elba Investments Pty Ltd on the acquisition of Elba Investments % ownership of Save River Diamonds Pty Ltd, Sese Diamonds Pty Ltd and Balama Resources Pty Ltd.	\$0.20	(1)	Nil	\$2,999,563
21/05/2015	9,499,322	Shares	Issued to Alimold Pty Ltd on the acquisition Alimold's % ownership of Save River Diamonds Pty Ltd, Sese Diamond Pty Ltd and Balama Resources Pty Ltd	\$0.20	(1)	Nil	\$1,899,864

SCHEDULE 1: PREVIOUS ISSUE OF EQUITY SECURITIES UNDER LISTING RULE 7.1A

DETAILS OF EQUITY SECURITIES ISSUE IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING

Date	Number	Type	The person to whom the Equity Securities were issued or the basis on which those persons were determines	Issue Price	Discount to market price at issue date	Funds Raised	Use of Funds / Current Value of Non-cash consideration Use of Funds
21/05/2015	2,882,925	Shares	Issued to Keras Capital Pty Ltd on the acquisition of Keras' % ownership of Save River Diamonds Pty Ltd, Sese Diamonds Pty Ltd and Balama Resources Pty Ltd	\$0.20	(1)	Nil	\$576,585
21/05/2015	4,900,000	Shares	Issued to Regius Resources Group Ltd on the acquisition of Regius' % ownership of Balama Resources Pty Ltd	\$0.20	(1)	Nil	\$980,000
21/05/2015	1,205,597	Options Exercise Price \$0.21 Expiry Date 21/5/2017	Issued to Elba Investments Pty Ltd on the acquisition of Elba's % ownership of Save River Diamonds Pty Ltd, Sese Diamonds Pty Ltd and Balama Resources Pty Ltd.	Nil	(1)	Nil	\$149,214
21/05/2015	833,955	Options Exercise Price \$0.21 Expiry Date 21/5/2017	Issued to Alimold Pty Ltd on the acquisition of Alimold's % ownership of Save River Diamonds Pty Ltd, Sese Diamonds Pty Ltd and Balama Resources Pty Ltd.	Nil	(1)	Nil	\$103,217
21/05/2015	199,254	Options Exercise Price \$0.21 Expiry Date 25/5/2017	Issued to Keras Capital Pty Ltd on acquisition on Keras' ownership of Save River Diamonds Pty Ltd and Balama Resources Pty Ltd.	Nil	(1)	Nil	\$24,661

SCHEDULE 1: PREVIOUS ISSUE OF EQUITY SECURITIES UNDER LISTING RULE 7.1A

DETAILS OF EQUITY SECURITIES ISSUE IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING

Date	Number	Type	The person to whom the Equity Securities were issued or the basis on which those persons were determines	Issue Price	Discount to market price at issue date	Funds Raised	Use of Funds / Current Value of Non-cash consideration Use of Funds
21/05/2015	1,101,493 550,746 1,309,702 654,851 4,200,000 4,200,000 4,200,000	Performance Rights A Performance Rights B Performance Rights C Performance Rights D Performance Rights E Performance Rights F Performance Rights G	Issued to Elba Investments Pty Ltd on the acquisition of Elba's % ownership of Save River Diamonds Pty Ltd, Sese Diamonds Pty Ltd and Balama Resources Pty Ltd	\$0.20	(1)	Nil	\$198,269 \$99,135 \$198,269 \$99,135 \$756,000 \$630,000 \$504,000
21/05/2015	895,522 447,761 772,388 386,194 1,680,000 1,680,000 1,680,000	Performance Rights A Performance Rights B Performance Rights C Performance Rights D Performance Rights E Performance Rights F Performance Rights G	Issued to Alimold Pty Ltd on the acquisition of Alimold's % ownership of Save River Diamonds Pty Ltd, Sese Diamonds Pty Ltd and Balama Resources Pty Ltd	\$0.20	(1)	Nil	\$161,194 \$80,597 \$161,194 \$80,59 \$302,400 \$252,000 \$201,600
21/05/2015	241,791 120,896 156,716 78,358 1,260,000 1,260,000 1,260,000	Performance Rights A Performance Rights B Performance Rights C Performance Rights D Performance Rights E Performance Rights F Performance Rights G	Issued to Keras Capital Pty Ltd on the acquisition of Keras' % ownership of Save River Diamonds Pty Ltd, Sese Diamonds Pty Ltd and Balama Resources Pty Ltd	\$0.20	(1)	Nil	\$43,522 \$21,761 \$43,522 \$80,597 \$226,800 \$189,000 \$151,200
21/05/2015	6,860,000 6,860,000 6,860,000	Performance Rights E Performance Rights F Performance Rights G	Issued to Regius Resources Group Ltd on the acquisition of Regius' % ownership of Balama Resources Pty Ltd	\$0.20	(1)	Nil	\$1,234,800 \$1,029,000 \$823,200

SCHEDULE 1: PREVIOUS ISSUE OF EQUITY SECURITIES UNDER LISTING RULE 7.1A

DETAILS OF EQUITY SECURITIES ISSUE IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING

Date	Number	Type	The person to whom the Equity Securities were issued or the basis on which those persons were determines	Issue Price	Discount to market price at issue date	Funds Raised	Use of Funds / Current Value of Non-cash consideration
21/05/2015	500,000	Options Exercise Price \$0.20 Expiry Date 31/10/2016	Issued to Mr David Cassidy, Barton Place Holdings Pty Ltd, COS Capital Group Pty Ltd as part of capital raising fees.	Nil	(1)	Nil	\$41,000
21/05/2015	1,500,000	Options Exercise Price \$0.20 Expiry Date 1/12/2016	Issued to Superb Merino Pty Ltd pursuant to underwriting agreement.	Nil	(1)	Nil	\$127,500
21/05/2015	750,000	Shares	Issued to Superb Merino Pty Ltd pursuant to underwriting agreement.	\$0.20	(1)	Nil	\$150,000
30/06/2015	447,761	Shares	Issued to Texakoma Operating, LP in settlement of dispute.	\$0.22	Nil, Closing Price \$0.22	Nil	Part of settlement of dispute \$98,507

(1) The Company's securities were suspended from the official list from 23 January 2015 to 10 June 2016

SCHEDULE 1: PREVIOUS ISSUE OF EQUITY SECURITIES UNDER LISTING RULE 7.1A

DETAILS OF EQUITY SECURITIES ISSUE IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING

All performance rights (if vesting conditions achieved) would convert at a ratio of 1 fully paid ordinary share for every 1 performance right.

Class	Non-vesting conditions
A	On 1 July 2016, if the Company has successfully completed the Bulk Sampling program and generated gross proceeds of US\$5,000,000 from the direct mining of licence 4969L in the period 1 January 2015 to 30 June 2016 (inclusive of both dates).
B	Upon a US\$10,000,000 facility being provided to Save River Diamonds Pty Ltd on or before 30 June 2018.
C	On 1 July 2016, if the Company has successfully completed the Bulk Sampling program and generated gross proceeds of US\$2,500,000 from the direct mining of licence 4525L in the period from 1 January 2015 to 30 June 2016.
D	Upon a US\$2,500,000 facility being provided for the mining licences 4525L and 4969L on or before 30 June 2018.
E	Upon proving a JORC Compliant Inferred Graphite Resource of a minimum of 50 Million tonnes @ >5% Total Graphitic Content, on any of the Balama licences on or before 31 December 2019.
F	Upon proving a JORC Compliant Inferred & Indicated Graphite Resource of a minimum of 100 Million tonnes @ >5% Total Graphitic Content, on any of the Balama Licences on or before 31 December 2019.
G	Upon proving a JORC Compliant Inferred & Indicated Graphite Resource greater than 500 Million tonnes @ >5% Total Graphitic Content, on any of the Balama licences on or before 31 December 2019.

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APPOINTMENT OF PROXY FORM

MUSTANG RESOURCES LIMITED
ACN 090 074 785

ANNUAL GENERAL MEETING

I/We
of:
being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:
Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00am, on 20 November 2015 at Radisson Blu Hotel, 27 O'Connell Street, Sydney, and at any adjournment thereof.

The Chair intends to vote all available proxies in in favour of each Resolutions

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a Key Management Personnel, which may include the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all resolutions. In exceptional circumstances the Chair may change his/her intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of director – Ian Daymond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of director – Andrew Law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of director – Frank Petruzzelli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue of Shares to Texakoma	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail: YES ☐ NO ☐

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Mustang Resources Limited, Level 1, 566 Elizabeth Street, Melbourne Victoria 3000; or
 - (b) facsimile to the Company on facsimile number 03 9349 1186; or
 - (c) email to the Company at chrisr@mustangresources.com.auso that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.