

Mustang Resources Ltd. Acquires Highly Prospective Adjacent Ruby License Next to Gemfields

28.02.2017 | [ABN Newswire](#)

Sydney - Mustang Resources (ASX:MUS) is pleased to announce that it has agreed to acquire a 65 per cent interest in a new highly strategic ruby license (License 8245L) which borders its existing Montepuez Ruby Project in Mozambique. A site visit undertaken by Mustang consultant, Mr Paul Allan, has confirmed that artisanal miners are recovering large, high-quality rubies from this license area, which also borders one of the key ruby deposits being mined by London-listed [Gemfields](#) (LON:GEM) (OTCMKTS:GFLDF).

Importantly, Mustang's new license is only 3km directly south-east of the Company's plant site and Alpha ruby deposit and lies along the south-east, north-west ruby mineralisation trend, which also transects the adjacent Gemfields licenses.

Highlights

- Mustang acquires 65% stake in highly strategic ruby license bordering its Montepuez Ruby Project in Mozambique
- The 3500ha license sits between the Montepuez Ruby Project and a key secondary deposit being mined by London-listed Gemfields
- Site visit confirms artisanal miners currently recovering large gem-quality rubies from the area covered by the new license
- Mustang will issue 30m shares (escrowed for 24 months) and pay US\$100,000 cash as consideration for the 65% interest in the license
- Mustang will fast-track prospecting from this new area to complement the growing bulk sampling program at Montepuez
- Heavily oversubscribed placement to a select group of new and existing institutions and sophisticated investors to raise \$5.88 million

Following completion of environmental permitting, Mustang will immediately commence a prospecting program, including mapping, auger drilling and trenching to determine a preferred location to open a bulk sampling pit. Mustang will then commence processing gravels from the priority areas identified, further enhancing the current bulk sampling program and ruby sales planned for 2017.

To support a further increase in the drilling and bulk sampling campaign and to accelerate its development plans with the expanded project area, Mustang has undertaken a capital raising, receiving binding commitments for up to \$5.88 million from existing and new institutional and sophisticated investors. The placement has been heavily oversubscribed.

Mustang Managing Director Christiaan Jordaan said the acquisition of the new license was another important step in the Company's strategy to become a leading global supplier of premium-quality rubies:

"We recently achieved our target of tripling the throughput rate on our bulk sampling and we now beat it regularly," Mr Jordaan said.

"The first rubies sent to the US earlier this year are well advanced in their preparation by leading cutter and polisher Meg Berry for certification and sale.

"These near-term sales will enable us to value our rubies and are a key input into our feasibility study. It will also pave the way for Mustang to record its first sales revenue before the middle of this year.

"The global market for rubies is growing rapidly and Mozambique stones are in particularly strong demand, as shown by Gemfields' success.

"The acquisition of a 65% interest in this strategic and highly exciting new license will help us to capitalise on

what we believe is an outstanding opportunity for Mustang and its shareholders."

"We are very pleased to welcome a range of new institutional and sophisticated investors onto our share register. To have received such strong demand for the placement is a real credit to the work done by the Mustang team to date."

Geology of Newly Acquired License 8245L

License 8245L lies within the Montepuez Complex, an extremely geologically and structurally deformed complex defined in part by its unique geophysical signatures compared to the surrounding areas. Due to the complexities of the lithology and structure within the license area, several factors may have contributed to the formation of corundum and, in particular, gem-grade ruby within the license area. These include:

- The possibility of suitable (Aluminium rich) sedimentary protoliths.
- The possibility of aluminous intrusives.
- The possibility of partial melts resulting in aluminous melts / fluids.
- Suitable metamorphic and / or metasomatic conditions.
- Suitable structures to localise Aluminium rich fluids and or intrusives or associated pegmatites.
- Possible influence of carbonate rocks.

Importantly, the newly-acquired license is covered by similar lithologies as those found in the Gemfields (AIM:GEM) project areas and the potential thus exists for similar ruby mineralisation, both primary and secondary, especially given that the regional area is structurally very complex and not yet well understood. An analysis of the high resolution aeromagnetic data of the area shows several SE-NW trending lineaments which transect the license area as well as the Gemfields license areas to the south-east. These lineaments / faults may have played a role in the localisation of ruby associated magmas or fluids or the remobilisation thereof.

As illustrated in Figure 2 (in the link below), Mustang plans to prospect the areas along the SE-NW mineralisation trend aggressively through auger drilling and pitting. An access road will be built to the area currently being mined by artisans on license 8245L and ruby-bearing gravels will be transported to the existing Mustang plant for processing and further analysis as part of Mustang's broader bulk sampling program. Due to the prospectivity of this area and the quality (and size) of the rubies being recovered by local miners there, the Company intends to fast-track the development of this project.

Artisanal Mining Activity on License 8245L & High Quality Rubies

License 8245L has extensive artisanal activity which has proven secondary ruby mineralisation within 3km of the Company's Alpha ruby deposit. The images that follow show identified sites of artisanal activity identified from a heliborne survey of the area in February 2017 (see Figure 3 in the link below). These sites have also been "ground-truthed" by independent consultant and ruby exploration specialist Paul Allan, who noted there were approximately 50 to 100 active artisanal miners. The rubies that the artisanal miners presented to Mr Allan were high-quality and notably secondary (abraded with pockmarks) (Figure 4 in the link below).

The presence of artisanal activity within License 8245L, combined with its prospective geology, provide high priority targets for further prospecting, including the undertaking of bulk sampling activities.

In addition to the above, the international market for Mozambican rubies is very significant and increasing, principally owing to the marketing efforts of Gemfields. The prices for Mozambican rubies published by Gemfields are significant and even a modestly-sized primary or secondary ruby discovery is considered by Mustang to have good potential to be economically viable for the foreseeable future.

Rubies from Montepuez are very important to the trade because of the large quantities and the wide range of qualities and sizes produced. Their colours bridge the gap between those from the classic sources of Burma (highly fluorescent, with low iron content) and Thailand/Cambodia (weakly fluorescent, with high iron content). Whilst rubies owe their red colour to chromium, their colour is modified by the presence of iron, which reduces the chromium-caused fluorescence. An interesting aspect of rubies from the amphibole-related deposit near Montepuez is their range of iron content, from nearly as low as Burmese marble-type rubies to as high as rubies found in basalt-related deposits along the Thai-Cambodian border. This means they can potentially suit the tastes of a range of different markets (Pardieu, 2014).

Details of Acquisition of 65% Interest in License 8245L

The material terms of the proposed acquisition are as follows:

(a) Parties: - [Mustang Resources Ltd.](#) ("Purchaser" or "MUS") and Regius Resources Group Ltd ("Regius" or "Vendor")

(b) Interest being acquired: A 65% shareholding in an entity incorporated specifically to hold the license (SPV) with the remaining 35% held by the current license holder (SLR Mining Lda) which is contractually obligated to transfer the license to the SPV.

(c) Consideration: 30,000,000 MUS Ordinary Shares (escrowed for 24-months from date of issue) and US\$100,000.

(d) Conditions Precedent: The conditions precedent which must be satisfied (or waived) prior to MUS completing the proposed acquisition include, due diligence, ASX Listing Rule 11.1.3 not applying, all necessary regulatory, shareholder and third party approvals in Australia and Mozambique to allow MUS to lawfully complete the acquisition and an independent expert opining that the proposed acquisition is fair and reasonable or not fair but reasonable for MUS's shareholders not associated with the transaction.

(e) Funding commitment: MUS will be required to sole fund all expenditure for the full duration of the project by providing a loan to the newly incorporated entity established to hold the license (65% held by Mustang and 35% held by SLR Mining Lda owned by a Mozambican individual). 100% of the revenues generated from the sale of rubies recovered from the license during the bulk sampling program will be used to repay the loan balance for the bulk sampling program and once that loan is repaid profits will be distributed in proportion to the shareholdings in the entity holding the license. Loans made subsequently by MUS for other purposes (e.g. commercial scale mining operations) will be repaid by distributing 50% of the revenues generated from the sale of rubies recovered from the license to repayment of the loan with the remaining 50% distributed proportionately to shareholders.

(f) Put option: SLR Mining Lda will have the right to sell its shareholding in the SPV to MUS at any time after identification of a mineable resource at a price to be determined by an independent expert.

(g) (Decision to mine payment): MUS will be required to pay SLR Mining Lda (the current license holder) US\$1,500,000 following the successful completion of the 150,000 tonne bulk sampling program which leads to the decision to start full-scale mining.

(h) (Decision not to proceed): Should MUS decide not to proceed with the project it agrees to sell its interest in SPV to SLR Mining Lda for MZM10 (~0.02 cents) and write off all shareholder loans.

(i) (No Board changes): There will be no change to the board of MUS as a result of the proposed acquisition but SLR Mining Lda will have the right to appoint 1 of the 3 directors on the SPV and receive a US\$3,000 per month consulting fee effective from 1 June 2017.

Further details regarding the agreement will be included in a Notice of Meeting to be dispatched to shareholders immediately following a signed Independent Experts' Report (IER).

Strategic Placement to Institutional & Sophisticated Investors

In addition to the transformational acquisition detailed above, Mustang has received firm commitments from a select group of new and existing institutional and sophisticated investors for a placement to raise up to \$5.88 million through the issue of approximately 76.4 million new ordinary shares at an issue price of 7.7 cents per share ("Placement"). The issue price represents a 10% discount to the Company's 15-day VWAP.

The Placement will be completed in two tranches with approximately 68.6 million shares (approximately \$5.28 million) to be issued in the first tranche (Tranche 1) under the Company's existing capacity pursuant to ASX listing rule 7.1. Settlement of Tranche 1 is expected to occur on or around Wednesday, 8 March 2017.

Given the strong demand from long term shareholders, an additional 7.8 million shares will be issued in a second tranche also at \$0.077 per share (Tranche 2), conditional on shareholder approval at a general meeting expected to be held by early April 2017 to approve the acquisition. ("EGM").

Funds raised pursuant to the Placement will be used to meet costs associated with the acquisition of the 65% interest in ruby license 8245L, for increased bulk sampling activities and to fund an accelerated auger drilling program at the Montepuez Ruby Project, and for general working capital purposes.

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

To view tables and figures, please visit:
<http://abnnewswire.net/lnk/97535140>

About Mustang Resources Ltd:

Listed on the Australian Securities Exchange, [Mustang Resources Ltd.](#) (ASX:MUS) is an emerging gemstone developer and producer focused on the near-term development of the highly prospective Montepuez Ruby Project in northern Mozambique.

The Montepuez Ruby Project consists of three licenses covering 15,800 hectares directly adjacent to the world's largest ruby deposit discovered by [Gemfields Plc](#) (GEM:LN) in 2012. Since supply of rubies from sources outside Mozambique has become fractured and unreliable, Mustang stands to capitalise on the current demand around the world for ethically produced rubies by becoming a reliable, consistent supplier of high-quality rubies.

The Company is currently fast-tracking its work program on the Montepuez Ruby Project with high priority targets being identified and low-cost bulk sampling having commenced.

Contact:

[Mustang Resources Ltd.](#)

Managing Director: Christiaan Jordaan

E: info@mustangresources.com.au

T: +61-2-9239-3119

Media & Investor Relations:

Paul Armstrong

E: paul@readcorporate.com.au

T: +61-8-9388-1474

Dieser Artikel stammt von [GoldSeiten.de](#)

Die URL für diesen Artikel lautet:

<https://www.goldseiten.de/artikel/321126--Mustang-Resources-Ltd.-Acquires-Highly-Prospective-Adjacent-Ruby-License-Next-to-Gemfields.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by GoldSeiten.de 1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).