



MOZAMBI

R E S O U R C E S

QUARTERLY REPORT – QUARTER ENDED 31 MARCH 2015

Mozambi Resources Limited (ASX: MOZ, **Company** or **MOZ**) provides the following update on activities undertaken during and since the quarter ended 31 March 2015:

OPERATIONS

During the quarter, **Mozambi Resources Limited** (ASX: MOZ, **Mozambi, Company**) was pleased to announce the signing of a terms sheet granting the company the option to acquire two highly prospective license applications in the graphite rich Balama-Montepuez region of Mozambique.

The Company was also pleased to announce that the Company had been advised by the current owner of these licenses (6140L & 6142L), that all conditions precedent to granting of these licenses have been met. As a result, Mozambi Resources has engaged with the necessary parties to commence the works program immediately following the granting of the licenses.

Discussions remain ongoing with the Mozambique Mines Ministry and we look forward to being able to confirm granting of these licences to the market and the commencement of our initial works program.

These licenses are in close proximity to existing world class graphite and vanadium deposits held by ASX listed entities Triton Minerals Ltd and Syrah Resources Ltd. Exciting exploration results 30 km to the north of Licence 6142L by Metals of Africa highlight the prospective nature of the wider Balama-Montepuez region of Mozambique.

Location

Over the last few years several world-class flake graphite deposits have been identified within the mobile belt with the largest of these deposits in the Cabo Delgado region where the two tenements acquired by Mozambi are located. The major deposits within the Cabo Delgado region include:

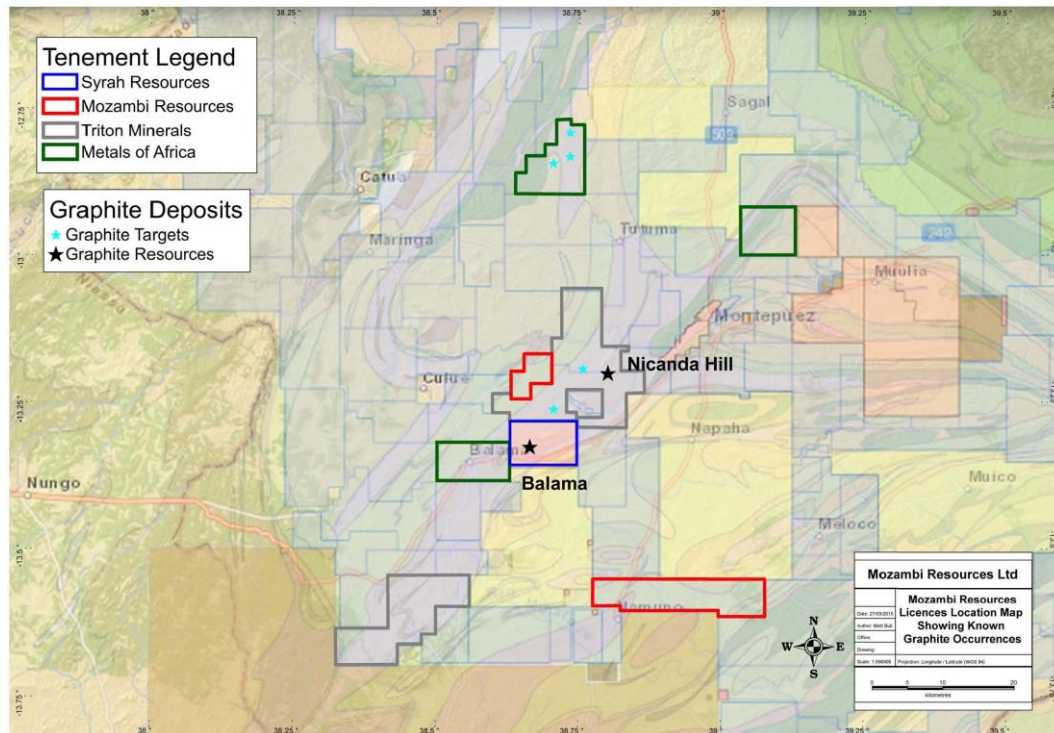
Syrah Resources (ASX: SYR) Balama Deposit 1.15 Bt @ 10.2% graphitic carbon and 0.23 % V₂O₅ⁱ

Triton Resources (ASX: TON) Nicanda Hill Deposit 1.457 Bt @ 10.7% graphitic carbon and 0.27% V₂O₅ⁱⁱ

License 6142L is contiguous with Triton Minerals Nicanda Hill Project. A map of the tenement location is shown in Figure 1. According to Triton Minerals, Nicanda Hill is the largest known graphite-vanadium deposit in the world.

Syrah's mining concession for the Balama Project is also approximately 5km to the south of 6142L. A mining license has recently been granted for this project.

Figure 1



The company is also very excited about the potential of License 6140L, as this is a largely underexplored area which may hold a lot of potential.

Geology

The underlying geology of the tenements are high grade metamorphic rocks of the Mozambique mobile belt which stretches from Mozambique in the south to the Red Sea in the north marking a continent scale suture. The belt comprises rocks that have undergone intense deformation, and as a result contains high-grade metamorphic rocks up to granulite level.

Where the initial host rock contained carbon, this is typically converted into graphite at this metamorphic grade during the metamorphic process and there are widespread graphite occurrences throughout the belt. Several areas within the mobile belt are known to host large

tonnage graphite deposits, typically with a relatively high proportion of larger flakes sizes. The deposits that have been identified to date are primarily in Mozambique and Tanzania to the north.

The Next Step

Mozambi are currently working with geologists based in Mozambique and Australia and carrying out desktop studies on the tenements under application. Post granting, Mozambi will carry out fieldwork as listed below:

- Trenching
- Rock Chip Sampling
- Mapping
- Potentially Ground Geophysical Surveys
- Drilling Program

This fieldwork will be aimed at accessing the potential that license area 6142L contains a continuation of the same stratigraphic unit hosting the Balama and Nicanda Hill graphite Resources.

Work at defining targets on license area 6140L will occur concurrently and the Company hopes to identify priority targets that will then be drill tested in order to define JORC compliant mineral Resources.

CORPORATE & FINANCE

A Shareholders Meeting was held in February to consider various resolutions. All resolutions considered at that meeting, were passed by shareholders without amendment.

Subsequent to the end of the quarter, the Company lodged a prospectus to list a class of options with an expiry of 31 December 2017 and an exercise price of \$0.02. The prospectus closed on the 21st of April and listing of the options (ASX:MOZO) commenced Monday 27th April 2015.

For and on behalf of Mozambi Resources Limited



Alan Armstrong

Mozambi Resources Ltd

Executive Director

Competent Person

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Matt Bull, a Competent Person who is a member of Australian Institute of Geoscientists. Mr Bull is a consultant to Mozambi Resources. Mr Bull has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Matt Bull consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ⁱ <http://www.syrahresources.com.au/OurBusiness/OurProjects/BalamaMozambique.aspx>

ⁱⁱ ASX Announcement (ASX:TON) 21 October 2014 – "Nicanda Hill Maiden JORC Resource"

Appendix

In accordance with Listing Rule 5.3.3. MOZ provides the following information in relation to its mining tenements.

Mining tenements held at the end of the quarter:

Project	Location	Tenement Number	Status	Beneficial interest
Bowen River	Queensland	EPC 1768	Exploration licence	100%
Carmilla	Queensland	EPC 2098	Exploration licence	100%
EPC 2702	Queensland	EPC 2702	Exploration licence	95% ¹

1. *Blackall Capital Pty Ltd holds options to acquire these tenements.*

Mining tenement interests acquired during the quarter:

Project	Location	Tenement Number	Status	Beneficial interest
Mozambique graphite	Mozambique, Africa	6140L & 6142L	Exploration licence - Application	100% ¹

1. Subject to being granted, Mozambi has an option over these licences to acquire them 100%.

Mining tenements disposed of during the quarter:

Nil

Beneficial interests held in farm-in or farm-out agreements at the end of the quarter

Farm-in agreements

The Company owns a 70% interest in Dugal Resources Lda, a Mozambican entity which holds a 100% interest in the following licences:

Licence	Owner	Location	Commodities	Area (ha)
3245L	Camal & Companhia Lda	Tete province	Copper, Zinc, Lead	18,240
3246L	Camal & Companhia Lda	Tete province	Base Metals	20,240

Farm-out agreements

Nil

Beneficial interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Nil

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Mozambi Resources Limited

ABN

28 106 353 253

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(4) - - (168)	(20) - - (329)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
	(171)	(346)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(64) - -	(64) - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	(64)	(64)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(235)	(410)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(235)	(410)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. *	50	368
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(13)	(34)
	Net financing cash flows	37	334
	Net increase (decrease) in cash held	(198)	(76)
1.20	Cash at beginning of quarter/year to date	646	511
1.21	Exchange rate adjustments to item 1.20	6	19
1.22	Cash at end of quarter	454	454

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	61
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payment of directors' fees and consulting services from related parties.

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/a

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/a

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration	130
Total	180

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	454	646
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		454	646

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	265,541,985	265,541,985		
7.4 Changes during quarter (a) Increases through issues: (b) Decreases through returns of capital, buy-backs	2,500,000	2,500,000	0.8	0.8
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
	475,000	-	25.0	02/08/16
	2,200,000	-	25.0	30/11/16
	133,499,999	-	2.0	31/12/17
	15,000,000	-	2.0	31/12/17
7.8 Issued during quarter	89,499,999	-	2.0	31/12/17
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~ *(delete one)* give a true and fair view of the matters disclosed.



Sign here: Date: .28 April 2015.....
(Director/Company secretary)

Print name: Adrien Wing

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.