



MOZAMBI
R E S O U R C E S

ASX ANNOUNCEMENT

By e-lodgement

1 June 2015

\$1.3 MILLION CAPITAL RAISING

DIRECTOR APPOINTMENT AND RESIGNATION

Highlights

- **Placement to raise \$370,000 from the issue of 30,833,333 new fully paid shares at \$0.012 per share with a one for two free attaching listed MOZO option**
- **1 for 4 non-renounceable rights issue to raise up to approximately \$925,000 to be offered to eligible shareholders at \$0.012 per share with a one for two free attaching listed MOZO option**
- **Appointment of Mr Matt Bull and Mr Adrien Wing to the Board**

CAPITAL RAISING

Mozambi Resources Limited (ASX: MOZ) ("**MOZ**" or "**the Company**") is pleased to announce a capital raising of up to approximately \$1.3 million, comprising a placement of 30,833,333 new fully paid ordinary shares at \$0.012 (1.2 cents) per share with a one for two free attaching MOZO listed option exercisable at \$0.02 (2 cents) and expiring on 31 December 2017 to institutional and sophisticated investor clients of Alignment Capital Pty Ltd [ABN 24 167 124 754] ("**Alignment Capital**") to raise \$370,00 before costs of the issue ("**the Placement**"); and proposed non-renounceable 1 for 4 rights issue to raise up to a further approximately \$925,000 before costs of the issue by the issue of up to approximately 77,161,355 new fully paid ordinary shares at \$0.012 (1.2 cents) per share with a one for two free attaching MOZO listed option exercisable at \$0.02 (2 cents) and expiring on 31 December 2017 ("**the Rights Issue**").

The proceeds from the Placement and Rights Issue will be used to advance its Mozambique and Tanzanian graphite tenements; and to provide working capital.

The Company's Managing Director, Mr Alan Armstrong said:

'We have received very strong support from our major stakeholders to provide further capital, following the recent negotiations on the 18 tenements held in Tanzania. The backing of these parties confirms our belief that we have put together a solid strategy to optimise returns to shareholders. The Placement and Rights Issue will provide sufficient funding to undertake our exploration programs in Mozambique

and Tanzania for a minimum of 12 months, removes short term funding risks and provide stability to the company going forward’.

PLACEMENT

The Placement will be made under the Company’s available 15% and 10% capacities. The Placement shares are anticipated to be issued upon all applicable funds being received and cleared. The free attaching options under the Placement will be subject to shareholder approval. A further announcement will be released when the shares are issued, along with the despatch of the proposed Notice of Meeting.

RIGHTS ISSUE

In conjunction with the Placement, MOZ will be offering eligible shareholders the opportunity to acquire a total of up to approximately 77,161,355 additional fully paid ordinary shares of the Company on a 1 for 4 basis at \$0.012 (1.2 cents) per share and one for two free attaching MOZO listed option (which is the same price as offered to participants in the Placement), to raise up to approximately \$925,000 before costs of the issue.

Eligible shareholders will be those with a registered address in Australia and New Zealand and that are on the shareholder register on the record date. It is anticipated that participants in the Placement with a registered address in Australia and New Zealand will be included in the shareholders eligible to participate in the Rights Issue. The record date and other dates will be announced to ASX when the document containing the Rights Issue offer is finalised and lodged, which is presently anticipated to be in about the week commencing 15 June 2015.

The Rights Issue will be non-renounceable and will not be tradeable on ASX or otherwise transferable.

Further details of the Rights Issue will be contained in the document containing the Rights Issue offer that will be prepared for mailing to shareholders. Eligible Shareholders should read the document containing the Rights Issue offer before deciding whether to participate in the rights issue offer.

Alignment Capital has agreed to act as Lead Manager to the Placement and the Rights Issue. Alignment Capital is a corporate authorised representative of Pearce Callahan & Associates Pty Ltd [ABN 90 053 868 410] [AFSL 288877]. The Lead Manager’s mandate provides for the issue of 8 million broker options (listed MOZO options) to Alignment Capital and/or its nominees upon the successful completion of the Placement; and 22 million options (listed MOZO options) upon successful completion of the rights issue.

The offer and issue of shares and options under the Rights Issue is not subject to shareholder approval. The issue of options to Alignment and/or its nominees are subject to shareholder approval.

CORPORATE

The Company is pleased to have secured the services of Mr Matthew Bull as a Non-Executive Director.

Mr Bull, Bsc (Geology and Geophysics) with over 10 years’ experience in the mining and exploration industry. Mr Bull has worked in a wide range of commodities including graphite, gold and iron ore. He has considerable experience on the operation greenfield and resource development drilling exploration programs. His previous positions include consultant geologist working on Discovery Africa’s Tanzanian Graphite Project and CEO/Chief Geologist at Baru Resources.

Mr Robert Hemphill and Mr Julian Jarman have stepped down as directors. The Company is grateful for the service and contribution provided by both Mr Robert Hemphill and Mr Julian Jarman. The Company wishes both Robert and Julian all the very best for their future endeavours.

Mr Adrien Wing will step into the role of Non-Executive Chairman.

Speaking about the board changes, Mr Alan Armstrong said:

'This is a transformative time for our Company. The contributions made by Mr Jarman & Mr Hemphill have been instrumental in getting Mozambi Resources to this very exciting stage. I thank them both for their valued input into the Company and wish them every success in their respective business venture'.

For and on behalf of Mozambi Resources Limited

A handwritten signature in dark ink, appearing to read 'Alan Armstrong', written in a cursive style.

Alan Armstrong
Mozambi Resources Ltd
Executive Director