ASX ANNOUNCEMENT

By e-lodgement

10 June 2015

WIDE ZONES OF GRAPHITE SCHIST LOCATED ON NACHINGWEA PROJECT

Highlights.

- **Recognisance mapping at the Nachingwea Graphite Project has identified wide zones of graphitic carbon on the first two tenements explored to date.**
- **Widths of graphitic carbon schist up to 180m wide (estimated true width 150m) of graphitic carbon have been mapped over a strike length of approximately 1000m.**
- **Multiple graphite schist units observed in outcrop on both tenements with width in the range of 15-50m.**
- **Visual estimates of the grade range from 5-10% graphitic carbon.**
- **Fieldwork is continuing with mapping activity moving to the remaining tenements.**
- **Rock chip sampling and trenching is planned to commence as soon as the tenements are granted to define initial drilling targets.**
- **Mozambique tenements progressing to grant following financial assurances made by MOZ.**

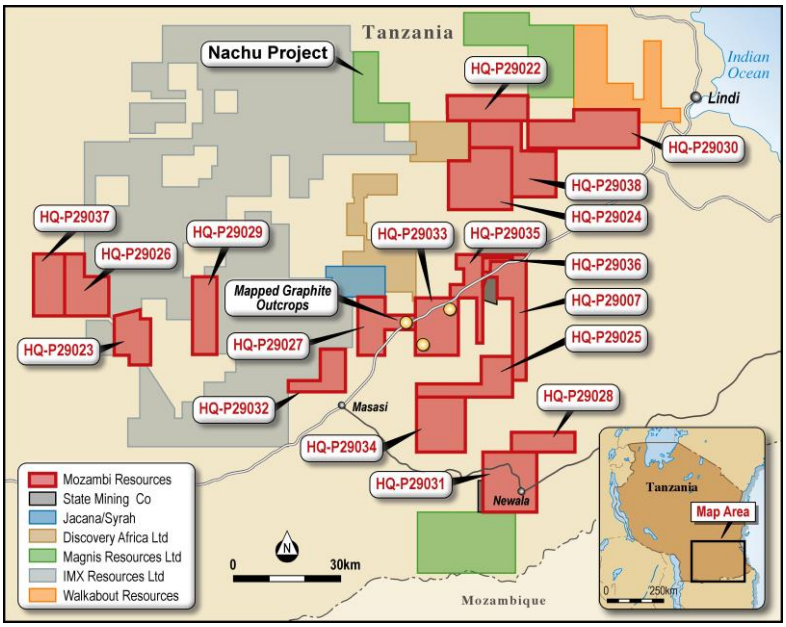
Introduction

Mozambi Resources Limited (ASX: MOZ, "**Mozambi", "The Company"**) is pleased to announce the positive early results of geological mapping on the company's Nachingwea Graphite Project in Tanzania. Multiple graphite outcrops have been identified on the first two tenements explored HQ-P 29033 and HQ-P 29027. Outcrops up to 180m wide (estimated true width of 150m) have been identified over a strike length of approximately 1000m. Trenching and sampling will be required to determine the grade of the zone and identify higher grade zones within the mineralised unit to allow the design to a targeted drilling program. Multiple other areas of sub-cropping graphite schist have been identified on the two tenements explored to date, these zones will require trenching to define the true width of the units. The Nachingwea Graphite Project is located within the Mozambique Mobile Belt a sequence of high grade metamorphic sediments that is host to a number of world class graphite deposits near the town of Balama in Mozambique. More recently several large graphite flake deposits have been identified in the Nachingwea region of the belt by Magnis Resources and IMX Resources. A summary of the field mapping conducted by Mozambi on the first two tenements explored on the project to date is given below.

Location

As per **Figure 1** below, the tenements subject to the option agreement are all located in this key emerging graphite province. Of particular note, several are in close proximity to the Nachu Project (outlined above) and others border strategic licenses held by the State Mining Corporation of Tanzania. Since transfer of the tenements to a holding company as required under the term sheet the tenement numbers have been changed by Tanzanian Ministry of Energy and Minerals, this is updated in the map below.

Figure 1



HQ-P 29033

Mapping of the metamorphic rock units especially meta-sediments in the tenement HQ-P 29033 identified four possible different strike lines of graphite schist mapped in the bedded and layered metamorphic rocks units. The visible width of graphite schist observed ranges between 1.5 meters – 15 meters, however one target had an outcropping width of 180m with a strike length of approximately 1000m. Generally, the strike of graphite schist is 290° - 300° (NW-SE) dipping to the northeast. The other rocks types observed in the tenement were quartz-biotite gneiss, quartzite, pegmatite, and felsic schist. **Figures 2a** and **2b** show the outcropping graphite schist on HQ-P 29033. Due to the think vegetation at the end of the wet season only limited outcrop is visible and additional outcrops are expected to be identified as the dry season progresses.

Figure 2a

Figure 2b

HQ-P 29027

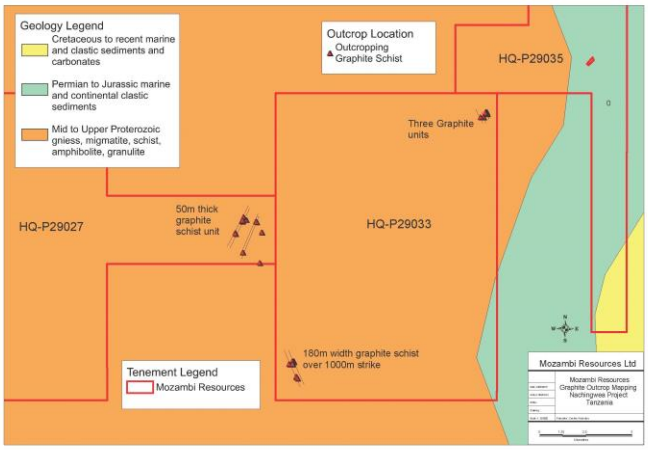
Mapping of the metamorphic rock units especially meta-sediments in the tenement HQ-P 29027 was conducted near the village of Mkalapa. On the tenement graphite schist outcrops were mapped with the strike of graphite schist typically in the range of 205° - 230° (NE-SW) dipping northwest. It is not possible to see the continuation of the graphite schist outcropping due to heavy vegetation (grass), this means it's not possible to estimate the strike length of graphite schist. The visible width of the graphite schist is approximately 40 meters to 50 meters. Typical examples of the outcrop are shown in **Figures 3a** and **3b** below. Other rocks unit observed in the tenement were quartz-biotite gneiss, quartzite, and felsic schist.

Figure 3a

Figure 3b

A map showing the location of the graphite outcrops identified to date on HQ-P29027 and HQ-P29033 is shown in **Figure 4** with the graphite bearing schist units on these tenements forming low ridges that are expected to continue under cover of more recent sediments and soils. All of the outcrops identified to date are open along strike with several km's of potential strike length within the project boundary.

Figure 4



Nachingwea Project Details

The 18 tenements that make up the Nachingwea Graphite Project are currently under application with the Tanzanian Ministry of Energy and Minerals with granting of the tenements anticipated in the near future.

The tenements are located in the south east corner of Tanzania within the Mozambique Mobile Belt of metamorphic rocks. Ten of the tenements are located in the Lindi Province with the remaining eight being located in the Mtwara Province bordering Mozambique. Over the last few years numerous occurrences of Graphite have been identified within the mobile belt which stretches from Mozambique through to Northern Tanzania with the largest of these deposits occurring in the Cabo Delgado region of Mozambique. More recently significant deposits have been located around the township of Nachingwea in South Eastern Tanzania with

areas of large flake size graphite schist being identified by Magnis Resources, IMX Resources and Discovery Africa, which surround the tenements acquired by Mozambi. The largest Resource identified to date in the region is the Nachu Deposit which has a JORC compliant Resource of 156Mt @ 5.2% Total Graphitic Carbon[i]. The Deposit is held by ASX listed entity Magnis Resources Ltd (ASX: MNS) who have recently completed a favourable pre-feasibility study on the project and has also arranged off-take agreements and Mine Financing.

Geology

The underlying geology of the project area is composed of high-grade metamorphic rocks of the Mozambique Mobile Belt, which in this region are typically quartz-feldspar gneisses and schists with darker bands of biotite. Within the Southern Lindi and Mtwara Provinces there are widespread occurrences of outcropping Graphite, which has typically grades in the range of 5-10% Graphitic Carbon. Mozambi is targeting stratigraphic units within the project area that contain coarse flake Graphite within a feldspar rich schist. This unit typically forms low ridges with shallow tertiary and quaternary sediments covering the basement rocks between the ridges.

The Next Step

Mozambi plans to begin rock chip sampling and trenching as soon as possible to confirm the size and quality of exploration targets within the tenements. This work will also be undertaken to nominate which licenses the Company intends to proceed with to acquisition. This allows the company to minimise holding costs and only hold what the Company believes to be the most prospective licenses. The fieldwork will be aimed at confirming the presence of thick outcropping units (30- 50m) of coarse graphite schist within the tenement package.

This fieldwork will include an initial program of;

- Trenching.
- Rock Chip Sampling.

Once priority targets are identified the company plans to conduct a more detailed exploration program that will include;

- Geological Mapping.
- Potentially Ground Geophysical Surveys.
- Drilling.
- JORC Resource definition.

Mozambique Update

The Board of Mozambi remains focused on progressing the Mozambique Graphite Project and is pleased to announce the granting of the two graphite licences has progressed with financial commitments being provided to the Mozambique government to facilitate the grant of the licences.

The two licences are located in the Cabo Delgado region of Mozambique in close proximity to several world-class flake graphite deposits. The major deposits within the Cabo Delgado region include:

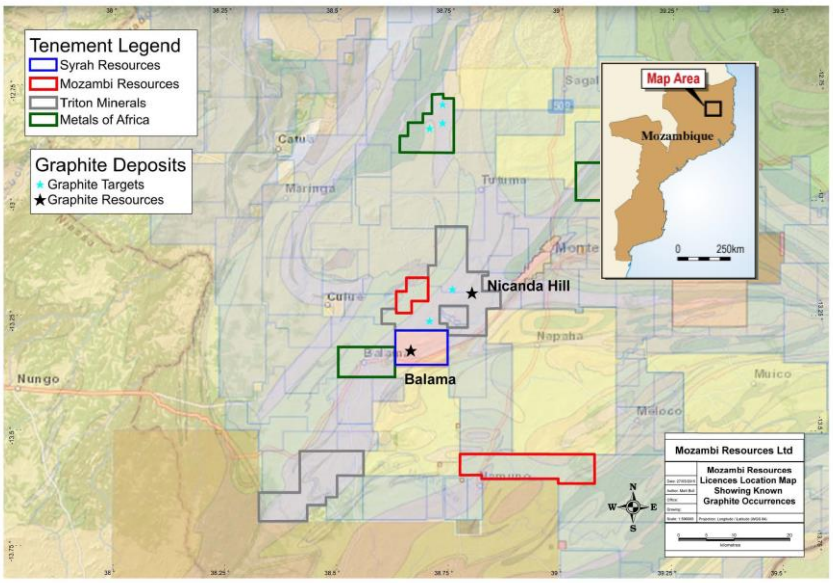
Syrah Resources (ASX: SYR) Balama Deposit 1.15 Bt @ 10.2% graphitic carbon and 0.23 % V_2O_5[ii]

Triton Resources (ASX: TON) Nicanda Hill Deposit 1.457 Bt @ 10.7% graphitic carbon and 0.27% V_2O_5[iii]

License 6142L is contiguous with Triton Minerals Nicanda Hill Project. A map of the tenement location is shown in Figure 5. 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 5



Conclusion

In summary, the Board of Mozambi is extremely pleased with initial exploration results confirming the presence of wide zones of graphitic carbon on the Nachingwea Graphite Project. Further mapping is planned to continue on the remaining tenements so that the most prospective targets can be advanced when the tenements are granted. The Mozambique Graphite Project continues to advance towards granting.

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 Director of 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] *ASX Announcement (ASX:MNS) 26 November 2014 – "Nachu Graphite Project Maiden Mineral Resource"*

[ii] *http://www.syrahresources.com.au/OurBusiness/OurProjects/BalamaMozambique.aspx*

[iii] *ASX Announcement (ASX:TON) 21 October 2014 – "Nicanda Hill Maiden JORC Resource"*