



MOZAMBI
R E S O U R C E S

QUARTERLY REPORT – QUARTER ENDED 30 JUNE 2015

Mozambi Resources Limited (ASX: MOZ, **Company** or **MOZ**) provides the following update on activities undertaken during and since the quarter ended 30 June 2015:

OPERATIONS

Tanzania

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 eighteen highly prospective graphite tenement applications in the Lindi and Mtwara Provinces of Tanzania at the end of May.

In the 2 months that has followed, the Company was pleased to announce that the granting process and exploration has proceeded quickly. During this timeframe, two of the key tenements from the Nachingwea Project were granted by the Tanzanian Ministry of Energy and Minerals as PL 10644 and PL 10643 (previously named HQ-P 29033 and HQ-P 29027 respectively).

Exploration also ramped up on site, with the first trenches commencing on the Chiwata and Masasi deposits, mere days after the first two tenement grants were received. Currently the trenching is progressing through the saprolite zone before the fresh mineralisation is exposed, however graphite is visible across all of the length exposed to date. The trenching is designed to test the width and grade of mineralisation near surface in order to rank drilling targets.

Based on visual estimates the graphite is generally of coarse flake size particularly on the Chiwata prospect. The actual size distribution will need to be confirmed by screen size analysis. After the completion of the sampling, several metallurgical samples will be taken to test the flake size distribution from each of the targets to allow prioritisation of the first round of drilling when this information is combined with the grades and widths of mineralisation as well as the geological mapping that is currently ongoing.

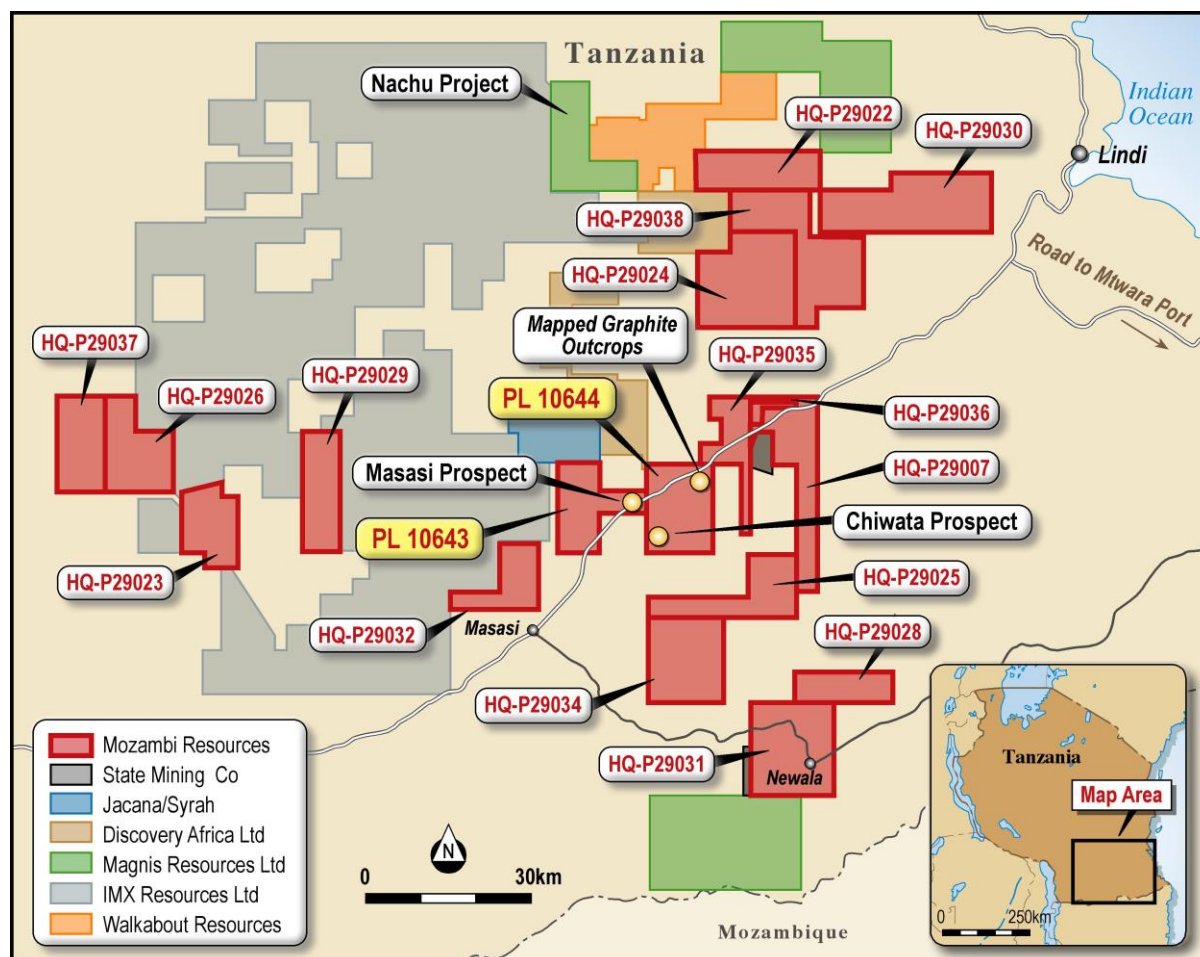
After completion of this current round of exploration, Mozambi expects to be in a position to drill test several of the targets as soon as possible.

For more information on the progress of each of the aforementioned targets being tested please see our announcement *“Tanzanian Trenching Program confirms prospectivity”* (21/7/15) and our *“Investor Presentation – July 2015”* (24/7/15).

While the trenching is continuing, geological mapping is progressing on the Chiwata and Masasi targets on the remaining sixteen tenements. A stronger understanding of the 18 licenses that are covered by the option agreement has now been established and these licenses are continually being reviewed with geological teams now visiting a majority of the other tenements.

The Company expects to make an announcement in the coming weeks with regards to our strategy around the granting of additional licenses and further exploration to be carried out.

The map below shows the current license suite we are appraising and outlines the proximity to other established projects and important infrastructure; especially distance to the deepwater port at Mtwara and proximity of the Chiwata and Masasi targets to the sealed main road.



Mozambi continues to progress the exploration of the Nachingwea Project, with the expectation of being in a favourable position to commence drill testing this year on at least one target. Further exploration updates will be provided as the exploration results come to hand.

Mozambique

On 15th May 2015, Mozambi Resources was pleased to announce an extension of the exclusivity period to acquire an option over two prospective license applications in the highly sought after Cabo Delgado Province in close proximity to graphite majors Syrah Resources and Triton Minerals. Whilst dialogue has been positive and progressive, a formal offer to grant these licenses has as yet not been forthcoming. The Company will continue to update shareholders, as further material details come to hand.

CORPORATE

Capital Raising

In June, the Company announced a capital raising of \$1.3 million. The funding comprises of:

- Placement (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; and
- 1 for 4 non-renounceable rights issue (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

In June, the Placement was closed fully subscribed.

The Rights Issue closed on 28 July 2015 with the acceptance and shortfall under the offer being as follows:

Particulars	Number of shares	Value (\$)
Acceptances	50,925,771	\$611,109
Shortfall	26,235,798	\$314,830
Total	77,161,569	\$925,939

There has been strong demand for the shortfall under the Rights Issue. It is expected that the shortfall will be closed within the coming week.

Quotation of options (ASX:MOZO)

During the quarter, the Company listed 153,499,999 options having an exercise price of 2 cents (\$0.02) and an expiry date of 31 December 2017. The ASX prefix for the listed options is ASX:MOZO.

Appointment and resignation of Directors

During the quarter, the Company 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 also stepped into the role of Non-Executive Chairman.

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.

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:

Australia

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.*

Mozambique

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 tenement interests acquired during the quarter:

Tanzania

Project	Location	Tenement Number	Status	Beneficial interest
Tanzania graphite	Tanzania, Africa	PL10642, PL10643 & PL10644, HQ-P29022, HQ-29030, HQ-P29038, HQ-P29024, HQ-P29007, HQ-P29028, HQ-P29032, HQ-P29037, HQ-P29026, HQ-P29023, HQ-P29029	Exploration licence (prefix: "PL") and Exploration licence application (prefix: "HQ")	100% ¹

1. Mozambi has an option over these licences to acquire those 100% via acquiring control of 99% of the issued capital of the vendor entity.

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")

30 June 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(43)	(63)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(122)	(451)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(164)	(510)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	(103)	(167)
	(b) equity investments	-	-
	(c) other fixed assets	-	-
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)	-	-
	Net investing cash flows	(103)	(167)
1.13	Total operating and investing cash flows (carried forward)	(267)	(677)

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

1.13	Total operating and investing cash flows (brought forward)	(267)	(677)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. *	391	759
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	(24)	(58)
	Net financing cash flows	367	701
	Net increase (decrease) in cash held	100	24
1.20	Cash at beginning of quarter/year to date	454	511
1.21	Exchange rate adjustments to item 1.20	-	19
1.22	Cash at end of quarter	554	554

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	54
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	400
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	550

Subsequent to the quarter, the Company closed its Rights Issue with the acceptance and shortfall under the offer being as follows:

Particulars	Number of shares	Value (\$)
Acceptances	50,925,771	\$611,109
Shortfall	26,235,798	\$314,830
Total	77,161,569	\$925,939

There has been strong demand for the shortfall under the Rights Issue. It is expected that the shortfall will be closed within the coming week.

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	554	454
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		554	454

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	277,812,088	277,812,088		
7.4 Changes during quarter (a) Increases through issues: 588,235 3,300,000 (b) Decreases through returns of capital, buy-backs				
			1.7 1.4	1.7 1.4
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
	154,499,999	154,499,999	2.0	31/12/17
	15,000,000	-	2.0	31/12/17
7.8 Issued during quarter	21,000,000	21,000,000	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: 30 July 2015.....
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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