ASX ANNOUNCEMENT

By e-lodgement

11 September 2015

HIGH GRADE ASSAY RESULTS CONFIRMED AT CHIWATA AND MASASI PROSPECTS

Highlights:

- **Assay results from a program of pitting, trenching and rock chip sampling confirm excellent graphite grades**
- **Average grade of 7.2% for pit assays and 7.6% for rock chips samples at the Chiwata Prospect**
- **The highest grade returned from the 11 pit results was 10.8% at the Chiwata Prospect**
- **The average grade of the rock chips samples taken, was 7.1% from Masasi Prospect**
- **Results confirm wide zones of near surface mineralisation at both locations**
- **Surface sampling program for both Prospects is ongoing with more samples sent for analysis**
- **Previously announced metallurgical sample results confirmed the presence of Jumbo flake graphite at both prospects**

Introduction

Mozambi Resources Ltd (ASX: MOZ, "**Mozambi", "the Company"**) has now received the first batch of assay results from the ongoing program of trenching, pitting and rock chip sampling from the Chiwata and Masasi Prospects in southern Tanzania.

The results confirm that wide zones of near surface graphite mineralisation exist in the first area sampled in both prospects. At the Chiwata Prospect the average grade of samples taken from pits dug into the fresh mineralisation returned grades of 7.2% total graphitic carbon ("tgc"), while the average rock chip results returned average results of 7.6%. Trenching results averaged 3.5% tgc as most of the samples were taken in the saprolite zone where graphite grades are degraded by weathering. Within the trench several higher grade zones were recorded, returning an average grade of 6.1% tgc, **including 4m @ 7.9%, 16m @ 5.9% and 7m @ 5.4%**.

At the Masasi Prospect the average grade of the rock chips samples taken was 7.1% and the trenching returned a wide zone of **66m @ 4% tgc including 16m @ 5.1%, 14m @ 5.2 and 8m @ 5.1% tgc**. Mozambi is considering using a mechanical excavator for future trenching programs in order to get more representative samples of the mineralised horizon below any impacts of weathering.

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Surface Geochemical Sampling Program at Chiwata

An ongoing program of geochemical sampling has been underway since mid-July at the Chiwata Prospect. The program consists of trenching, pitting and rock chip sampling initially around the first areas of outcropping mineralisation. The assay results returned to date confirm excellent grades of graphite over a wide area up to 180m in thickness at surface. The true width of this mineralisation is believed to be 10-20m thick as it is interpreted to have a flat dip in the range of 5-15 degrees. The true thickness will need to be confirmed by drilling. The results of the pit sampling are presented in **Figure 1** below. Of the 11 pit results returned, the average grade was 7.2% tgc with the highest grade being 10.8% tgc.

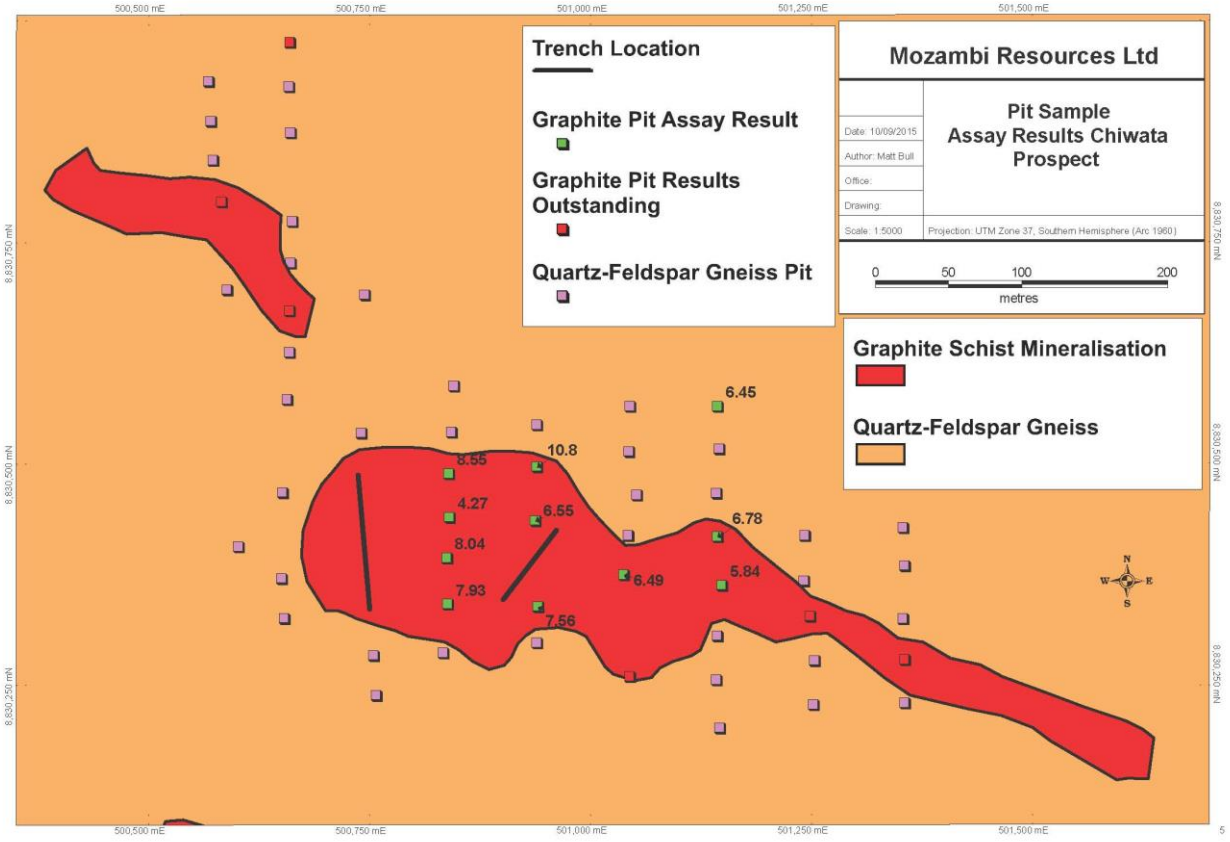

Figure 1 Assay Results from Pit Sampling at Chiwata

The results of the rock chip sampling have also been returned and also confirmed high grade graphite mineralisation over the same area. The average assay result returned a grade of 7.6% total Graphitic Carbon. The results of the trenching showed lower grades as previously flagged by Mozambi, as a majority of the sampling took place in the weathered saprolite layer. The average grade over the 100m samples was 3.5% tgc. Within the trench several higher grade zones were recorded returning an average grade of 6.1% tgc, **including 4m @ 7.9%, 16m @ 5.9% and 7m @ 5.4%**. Both the pit sampling and the rock chip sampling are more reflective of fresh mineralisation and show grades which were typically in the range 6-9% tgc with an average of around 7 to 7.5% tgc.

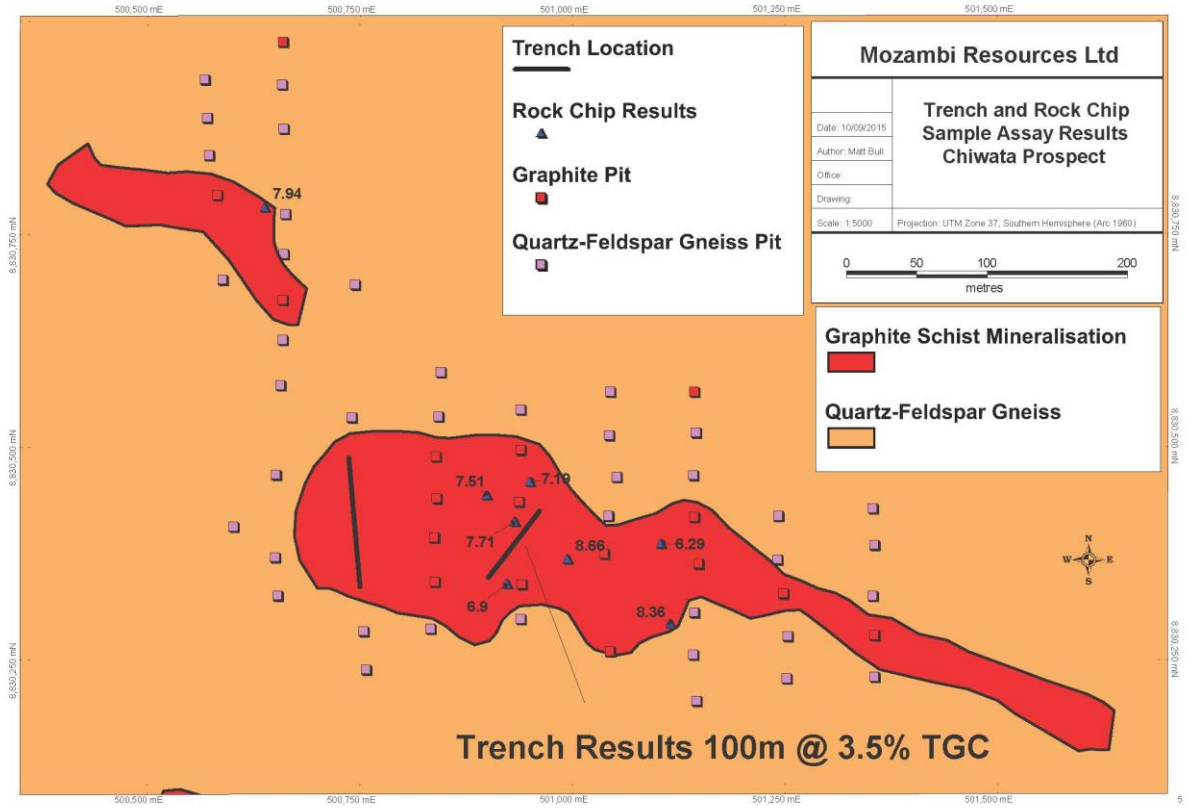

Figure 2 Assay Results from Rock Chips and Trench Sampling at Chiwata

Surface Geochemical Sampling Program at Masasi

There is very limited outcropping at the Masasi prospect with mineralisation identified as outcrop on a low ridge adjacent to an alluvial plane. Rock chip samples from the outcropping area returned average grades of 7.1% tgc. A program of trenching near the identified outcrop successfully confirmed a wide zone of graphite mineralisation, which was 66m in thickness. The true thickness is estimated to be approximately 33m. The samples taken from the trenches were downgraded as they were taken from within the saprolite horizon, however three zones of consistent mineralisation were identified within the trench including **16m @ 5.1%, 14m @ 5.2% and 8m @ 5.1% tgc**. The average grade of the 66m mineralised band was 4% tgc. Additional trenches to the north east and south west along strike showed graphite in the soil profile, but as the soil profile exceeded 4m in depth it was considered impractical to continue. A ground EM survey is planned to test the width of mineralisation along strike from the wide zone identified in the first trench at the Masasi Prospect in the near future.

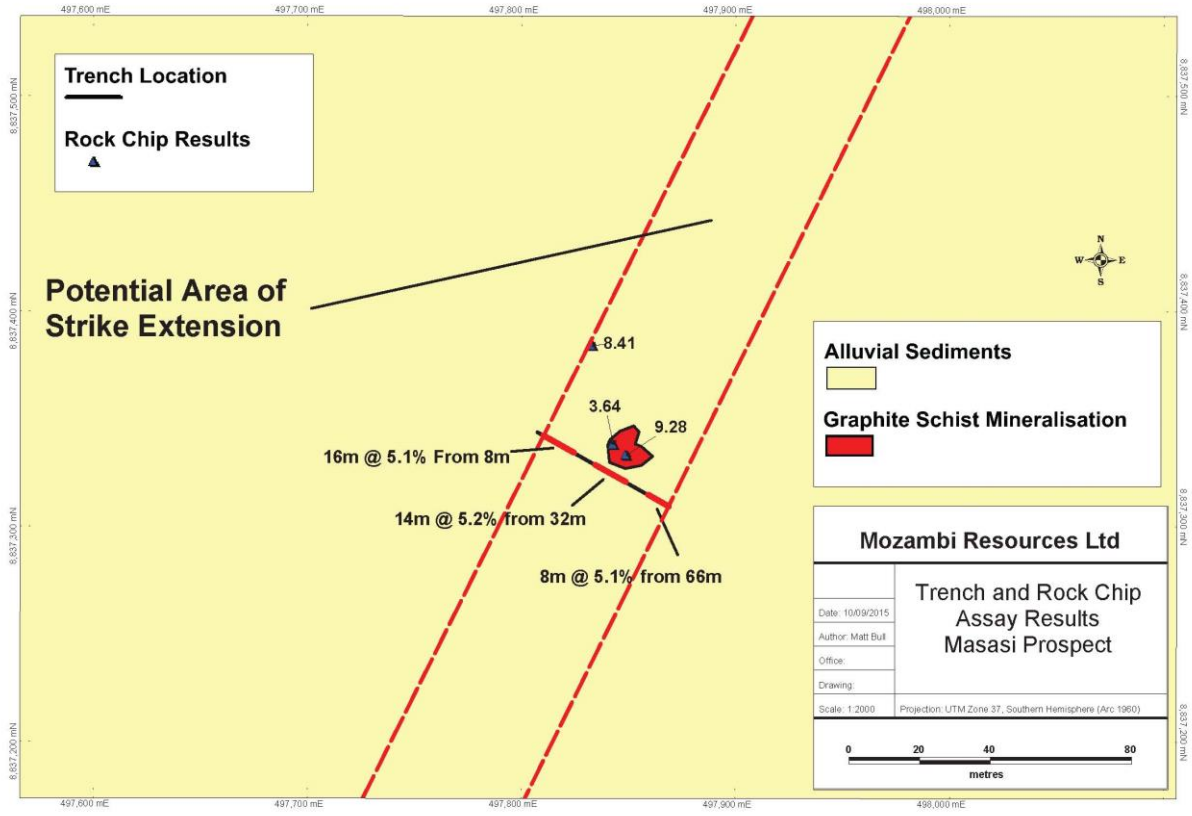

Figure 3 Assay Results from the Rock Chip and Trench Sampling at Masasi

Results Summary

The initial geochemical sampling program has confirmed wide zones of graphite mineralisation present at both the Masasi and Chiwata Prospects. Fresh graphite samples typically returned assay results in the 6-9% range with an average of 7.0 to 7.5% tgc. Samples taken in the partially depleted saprolite horizon from the trenches average 3.5 to 4.0% tgc but confirmed wide zones of graphite mineralisation is present at both locations. A program of Ground EM surveys is planned to take place in mid-September, which will further enhance the Company's understanding of both prospects and help to refine drill targets.

Nachingwea Project Summary

The project area is located in the south east of Tanzania as shown in **Figure 4**, which is becoming a significant new province for large tonnage, coarse flake graphite deposits with a number of JORC compliant resources now announced by graphite explorers in the region. The Nachingwea project is located approximately 60km south of ASX listed Magnis Resources' Nachu Project (ASX: MNS). Graphite mineralisation in the province typically occurs in stratigraphic layers of graphitic schist within a package of high pressure/temperature metamorphic rocks that make up the Mozambique Mobile Belt. The southern extension of the belt that stretches into Mozambique has also produced significant graphite deposits where both Triton Minerals and Syrah Resources have identified graphite deposits of over 1 billion tonnes. A list of the graphite projects that have publically released JORC compliant resources in the region is provided below.

Magnis Resources – Nachu Project (Tanzania)[i]

156 million tonnes @ 5.2% tgc

Kibaran Resources - Epanko Project (Tanzania)[ii]

23.3 million tonnes @ 9.4% tgc

IMX Resources - Chilalo Project (Tanzania)[iii]

18.1 million tonnes @ 6.2% tgc

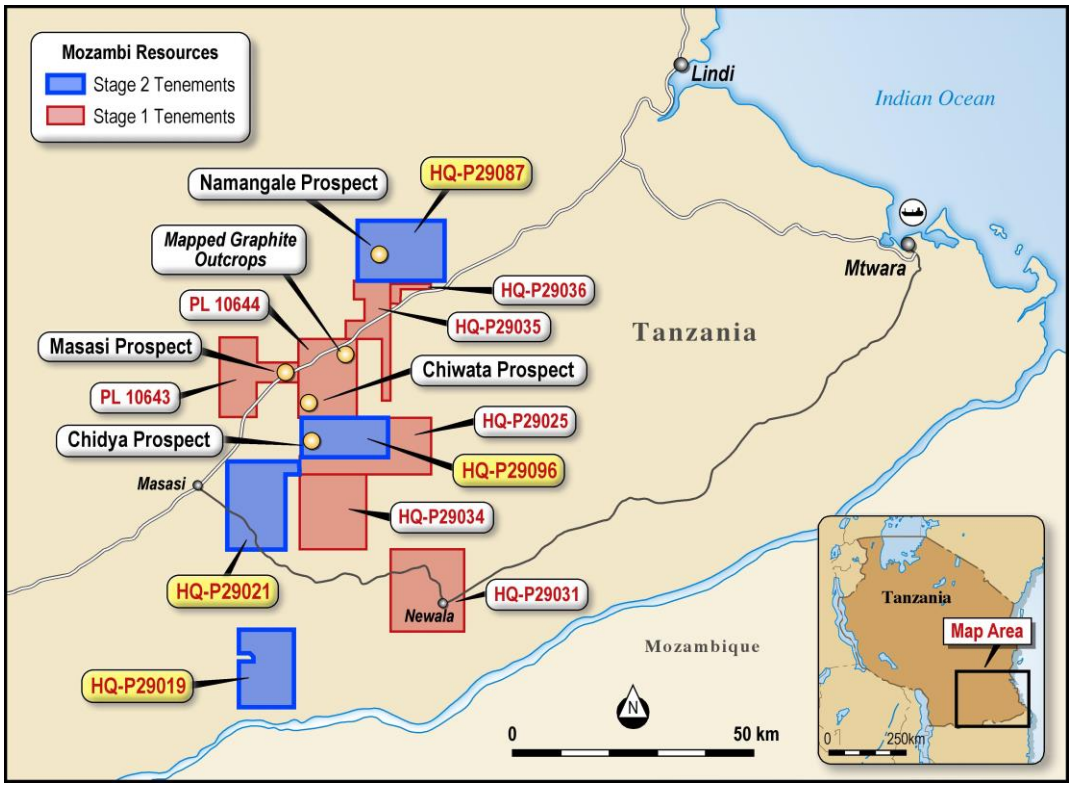

Figure 4 Location of the Nachingwea Project

For and on behalf of Mozambi Resources Limited

Alan Armstrong
Mozambi Resources Ltd
Managing 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.

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[i] *ASX Announcement (ASX:MNS) 26 November 2014 – "Nachu Graphite Project Maiden Mineral Resource"*
[ii] *ASX Announcement (ASX:KNL) 11 June 2015 – "Epanko Mineral Resource Upgrade"*
[iii] *ASX Announcement (ASX:IXR) 7 April 2015 – "Maiden Resource Highlights Strong Production Potential for Chilalo Graphite Project"*

JORC Code, 2012 Edition
Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Trenching sampling was carried out by taking 2-3kg samples from graphitic schist trenches dug by hand from 1-4m depth. One sample was taken by compositing a 1m section along the base of the trench. The samples were generally taken in the saprolite zone where clearly effected by weathering in most cases. Some areas of fresh mineralization was exposed by the sampling. The purpose of the trenching was to determine the continuity of mineralization and as mentioned in the announcement is believed to be substantially lower than the grade of fresh mineralization. Pitts and rock chip samples were taken of fresher mineralization.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling has been undertaken
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling has been undertaken
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging was carried out on each of the samples including lithology, amount of weathering and an estimate of flake size. The results will not be used in a mineral resource estimate and were taken to get a guide to the grade and flake size distribution of the outcropping mineralization prior to more extensive sampling taking place.

JORC Code, 2012 Edition
Table 1

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples were rock chip and pit samples, representative samples of the outcrop were taken based on visual estimation. The sample sizes are deemed appropriate for the grain size of the material.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The samples were sent to Mwanza in Tanzania for sample preparation before being were sent to South Africa for analysis of Total Graphitic Carbon (TGC) content using the method GRAP_CSA05V LECO Total Carbon. • The TGC analysis has been carried out by an industry accepted and recognized laboratory - SGS • TGC is the most appropriate method of Analysis for graphitic carbon. • SGS inserted its standards and blanks. • Standards were inserted by the company in a ration of 1:20.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Data was recorded by the sampling geologist and logged on paper sheets. The samples were transported to the SGS Lab in Mwanza for initial preparation before SGS transported for Assay at their lab in Johannesburg, South Africa.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• A hand-held GPS was used to identify the position of all samples (xy horizontal error of 5 metres) and reported using ARC 1960 grid and UTM datum zone 37 south.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications*	Trenches were sampled using 1m composites along the base of the trench.

JORC Code, 2012 Edition
Table 1

Criteria	JORC Code explanation	Commentary
	applied. • *Whether sample compositing has been applied.*	
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• N/A
Sample security	• *The measures taken to ensure sample security.*	• Transportation occurred using the company's vehicle to Dar Es Salam. • Samples were then the transported to SGS Lab in Mwanza were they were inspected prior to submission to the laboratory. • Transport to South Africa was undertaken under the supervision of SGS
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have yet been under taken

JORC Code, 2012 Edition
Table 1

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The prospecting license PL10643 and PL10644 were both granted on the 9th of July 2015 for a period of four years for the exploration of Graphite. The area covered by the prospecting licenses is 154.53km2 and 198.02km2 respectively. PL10643 is situated in the Nachingwea, Ruangwa and Masasi, districts while the PL10644 License is situated in the Ruangwa and Masasi districts. Both PL's Straddle the boundary of the Lindi and Mtwara regions of south-east Tanzania. • The PL's are held by Nachi Resources Ltd. and is subject to an option agreement for Mozambi resources to acquire 100% of the issued capital of Nachi Resources. The surface area is administered by the Government as native title. The area is rural, with wilderness areas and subsistence farming occurring on the PL. The Tenements are subject to a 1.5% royalty reduced from 3% on production to the previous owners of Nachi Resources subject to a payment of $US2,000,000 any time after completion of the acquisition. There are no other known issues that may affect the tenure.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• There is no written record of previous exploration available for this area known to Mozambi Resources, The location of some graphite outcrops on the PL's was known by the previous owners.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The exploration targets occur in the basement rocks of the Mozambique belt system which principally comprise metamorphic rocks ranging from schist to gneisses including marbles, amphibolites, graphitic schist, mica and kyanite schist, acid gneisses, hornblende, biotite and garnet gneisses, quartzites, granulites, and pegmatite veins. Initial exploration has focused on areas where there no overlying younger sedimentary sequences remaining.

JORC Code, 2012 Edition
Table 1

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• N/A

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Cut off grades of 4% TGC was used to determine the higher grade of the Trenching samples. No cut-off grade was used for the rock chips or pit samples.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The width of mineralization will need to be determined by drilling. Current estimates of the true width is included in the announcement for each prospect.

JORC Code, 2012 Edition
Table 1

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Diagrams are provided in figures 1-3
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• N/A
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• N/A
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Exploration is at an early stage further work planned includes completion of the current pitting and rock chip sampling, additional of more trenches along strike, ground and airborne electro-magnetic geophysical surveys and drill testing. • Figures 3 shows the location of potential extensions to the known mineralization as Masasi.