ASX ANNOUNCEMENT

By e-lodgement

12 October 2015

All Fifteen Holes Drilled at the Chiwata Prospect Intercept Near Surface Graphite Mineralisation

Highlights:

- **15 holes drilled, with all holes intercepting graphite mineralisation**
- **Three lines drill tested to date cover 800m of strike and mineralisation remains open to the east and to the west**
- **Intersected thickness of mineralisation is typically 10-20m**
- **Drilling targeting graphite schist unit where rock chip samples returned high proportions of large and jumbo flake graphite**
- **Additional exploration to continue over Mozambi's large tenement package of 1,955km^2**

Introduction

Mozambi Resources Ltd (ASX: MOZ, "**Mozambi", "the Company"**) is pleased to announce drilling has confirmed the presence of graphite mineralisation in all twelve holes drilled to date at the Chiwata prospect. Mineralisation is flat lying, dipping between 0 and 15 degrees and is close to the surface in the holes drilled to date. Mineralisation remains open along strike to the east and the west and down dip to the north. A further 300m of RC drilling as well as 150m of diamond drilling in planned at the Chiwata Prospect before the Company will drill test the Namangale Prospect in the coming weeks.

Managing Director Alan Armstrong said, "Mozambi Resources's drill testing of the first target at Chiwata has confirmed a substantial area of graphite mineralisation occurring at shallow depth. Encouraging visual results have us eagerly awaiting assay results from the current round of drilling. The company also anticipates being able to confirm preliminary data that indicated the presence of large and jumbo graphite flake in the area drilled when metallurgical testing of diamond drilling samples is completed."

Figure 1 shows the location of the Nachingwea Project tenements and the main graphite prospects. The drilling at Chiwata is planned to be used in the calculation of a JORC resource and will include several diamond holes to obtain metallurgical samples to test the flake size of fresh graphite mineralisation from the prospect.

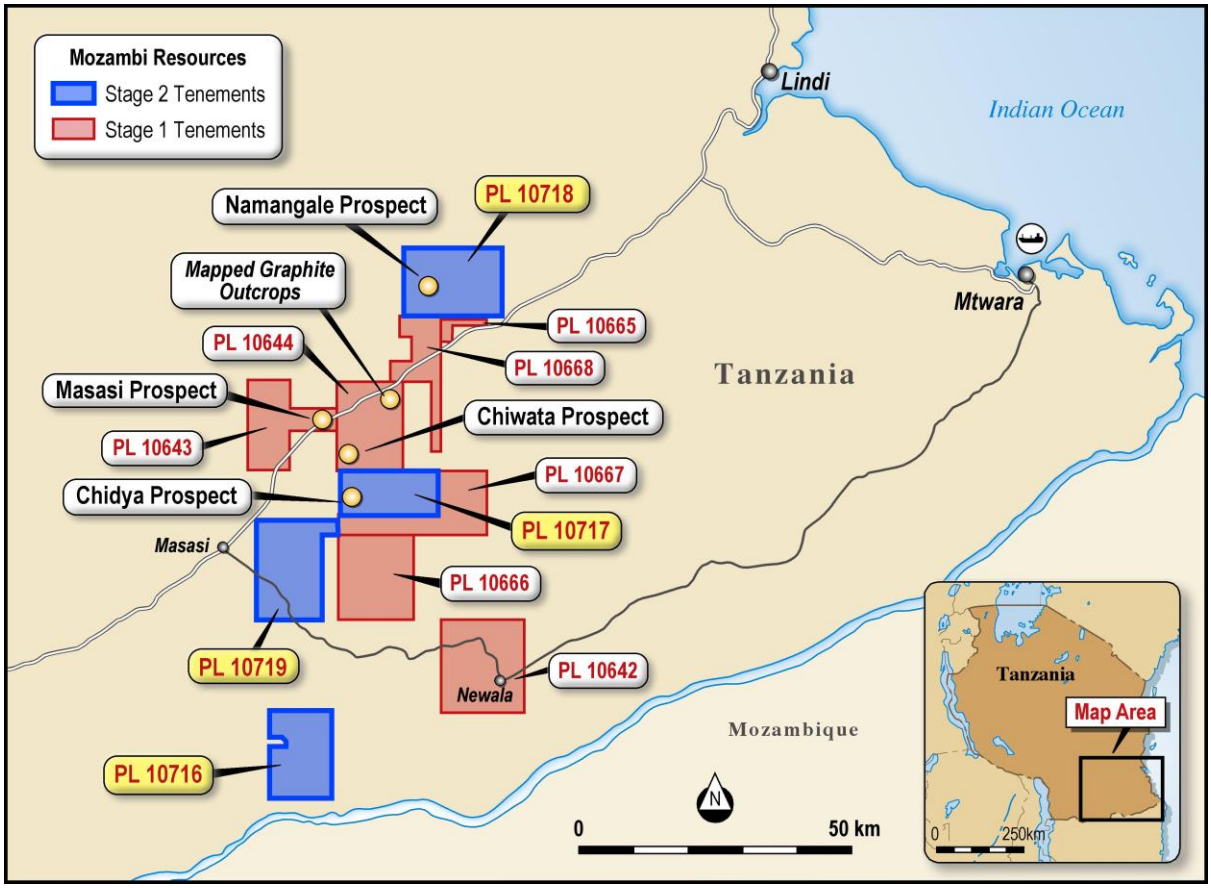

Figure 1 Location of the Nachingwea Project tenements

Chiwata RC Drilling Results

A total of 15 RC holes for 808 meters have now been drilled at the Chiwata Prospect, with all holes intersecting graphite schist mineralisation. The mineralisation tested outcrops to the south of the drilling pattern and dips gently to the north as a result the mineralised intercepts remain at a relatively shallow depths several hundred meters down dip for the outcrop. Mineralisation is open to the east and to the west of the current drilling pattern as well as down dip to the north. Drilling was designed to test the width and thickness of coarse flake graphite outcrop observed directly south of the drill pattern. A summary of the results based on visual estimation carried out during the geological logging is provided in **Table 1** below.

Table 1 Graphite Intercepts Chiwata

Hole ID	Easting	Northing	Azi/Dip	RL	Depth	From	To	Width
CWRC0001	500878	8830378	210/-60	597	46	0	6	6
CWRC0002	500921	8830449	210/-60	606	49	0	4	4
CWRC0003	500960	8830513	210/-60	598	31	5	12	7
CWRC0004	501005	8830583	210/-60	625	60	22	35	13
and						41	44	3
CWRC0005	501044	8830647	210/-60	613	64	34	49	15
CWRC0006	501085	8830712	210/-60	639	88	34	46	12
CWRC0007	500739	8830921	210/-60	627	64	1	21	20
and						43	50	7

CWRC0008	500699	8830853	210/-60	613	49	19	35	16
CWRC0009	500657	8830770	210/-60	606	58	1	9	8
CWRC0010	500943	8831270	210/-60	659	55	1	4	3
and						44	54	10
CWRC0011	500907	8831217	210/-60	655	49	32	42	10
CWRC0012	500859	8831134	210/-60	644	40	0	10	10
and						24	35	11
CWRC0013	500822	8831073	210/-60	637	46	12	24	12
and						33	38	5
CWRC0014	500785	8831002	210/-60	630	52	20	27	7
and						39	44	5
CWRC0015	501398	8830472	210/-60	608	57	40	57	17

A map showing the location of the drill holes compared to the location of eth ground EM anomaly for the Chiwata Prospect is shown in **Figure 2** below. The drilling program is designed to test the down dip extent of the outcrops mapped to the south of the drill pattern.

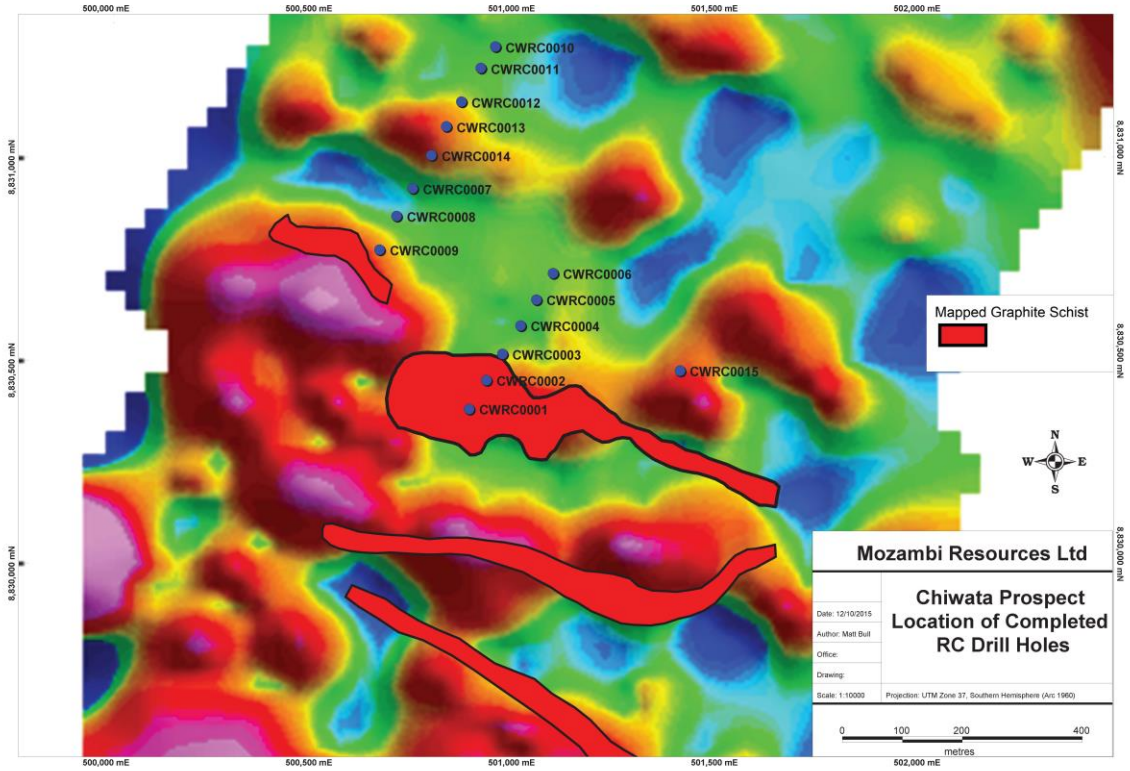

Figure 2 RC Drill-Hole Location Map over the Ground EM Anomaly and Geological Mapping

Drilling Program Namangale

After the completion of drilling at Chiwata, further RC drilling is planned at the Namangale Prospect. A ground EM survey recently completed at the project generated a large conductive anomaly coincident with outcropping graphite mineralisation. The target to be tested at this prospect measures 1.8km long by 800m wide. Preparations are now well advanced to begin drilling, including the clearing of access roads to the site and drilling pads to allow drilling to commence in the coming weeks. **Figure 3** shows the EM anomaly that will be targeted in the coming drilling program.

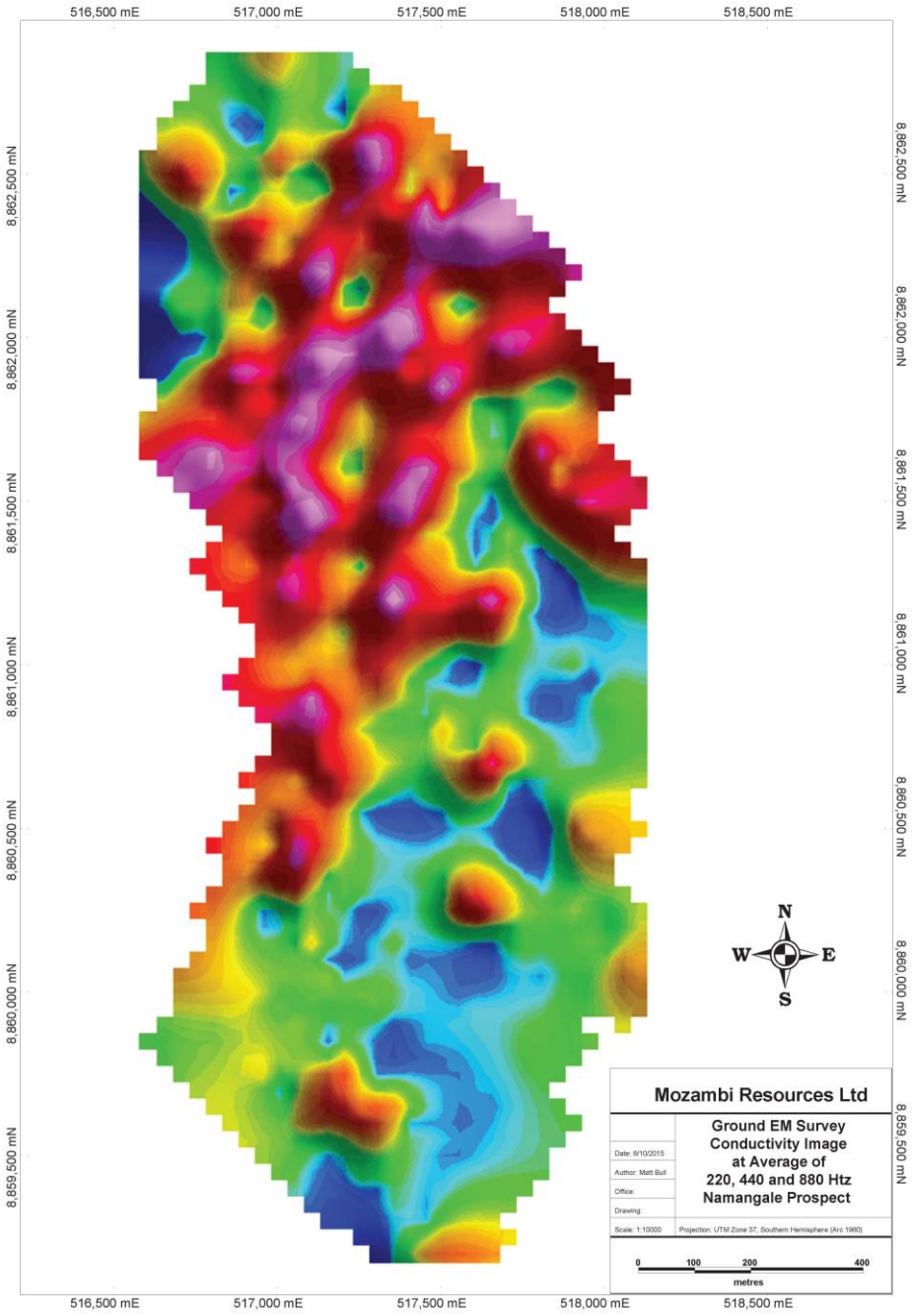

Figure 3 EM Survey Results at the Namangale Prospect

Nachingwea Project Summary

The project area is located in the south east of Tanzania, 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. Preliminary Flake size analysis at several of the company's graphite prospects including at Chiwata returned highly encouraging graphite flake size results which is expected be confirmed when fresh representative samples from the current drilling program are tested.

Conclusion

The board of Mozambi Resources are delighted with the drilling results received at the Chiwata Prospect. It has been an outstanding result to confirm a substantial area of graphite mineralisation occurring at shallow depth all within an area where preliminary metallurgical test work has confirmed Large and Jumbo flake graphite. Further drilling and assay results will be reported as they come to hand.

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.

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.*	• Sampling was carried out using RC Drilling using 1m samples. The full 1m interval was collected before being weighed then riffle spilt into samples weighing approximately 1.5kg. • All samples were geologically logged by a suitably qualified geologist and mineralized intercepts selected for assay at SGS in Johannesburg South Africa.
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).*	• RC Drilling is being conducted by JCIL Drill. Bit diameter was 4.5 inches face sampling bit.
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.*	• RC Recovery was recorded by weighing the recovered sample before splitting. Sample size was found to be consistent.
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 by a suitably qualified geologist. • Data is initially conducted on paper logging sheets and is then transferred to excel logging sheets • Logging is semi-quantitative based on visual estimation.

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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.*	• RC samples were taken at 1m intervals and then split into 1.5kg samples with a reference sample also taken. • All RC intervals were geologically logged and mineralized intervals selected for sampling at SGS in Johannesburg • Duplicate samples were taken at a ratio of 1 in 20 by retaining the final riffle split • QC measures also include blank samples and certified standards both of which are inserted at a ratio of 1:20. SGS also has its own internal QA/QC controls to ensure assay quality • All sampling was carefully supervised with ticket books containing pre-numbered tickets placed in the sample bag and double checked against the ticket stubs and field sample sheets to guard against mix ups
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.*	• Blanks, duplicated and certified standards were inserted by the company at a ratio of 1:20. • The samples were sent to Mwanza in Tanzania for sample preparation before being were sent to South Africa for analysis for Total Graphitic Carbon (TGC) 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 own standards and blanks.
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 stored in the company's master spreadsheet. The samples will be 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.*	• 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.

JORC Code, 2012 Edition
Table 1

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	
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 applied.* • *Whether sample compositing has been applied.*	• Drill spacing was carried out on a pattern of 400m by 80m • Whether the data spacing and distribution is sufficient to calculate a Resource estimate is dependent on the grade continuity which will be determined after assays have been received • No 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.*	• Surface mapping and interpretation of ground EM data was used to orient the drill lines to get the most unbiased sampling of the mineralisation. • Drilling was planned to intersect the mineralization as close as possible to right angles. Results indicate the drill holes intersect the mineralisation at between 60-90 degrees.
Sample security	• *The measures taken to ensure sample security.*	• Transportation will occur at the completion of the program
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 PL10644 which was 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 198.02km^2. The License is situated in the Ruangwa and Masasi districts. The License Straddles the boundary of the Lindi and Mtwara regions of south-east Tanzania. • The PL is held by Nachi Resources Ltd, which in turn is 100% owned by Mozambi 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 3% royalty on production to the previous owners of Nachi Resources, which can be reduced to 1.5% under an agreement with the previous owner. 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.
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*	• A summary of this information including; eastings and northings of drill hole collars, RL, dip/azimuth, down hole length and hole length are provided in table 1.

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	• No assays are reported in this Announcement
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').*	• Drill lines are planned to be at right angles to the mapped mineralization. • The width of mineralization ranges from close to 100% of the intercepts to approximately 85% of the interval as the mineralization is gently folded. Closer spaced drilling is required to find the exact relationship.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but*	• A drill hole plan is provided in Figure 2

JORC Code, 2012 Edition
Table 1

Criteria	JORC Code explanation	Commentary
	not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
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.*	• No assays are reported
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.*	• Previous results from Chiwata include trenching results grab samples and pit sample assays. Ground EM survey results have also been reported previously.
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 now at a drilling stage with the aim of defining a JORC resource in the near future based in the area of the three lines currently being drilled.