



MOZAMBI
R E S O U R C E S

Quarterly Report – Quarter Ended 30 September 2015

Mozambi Resources Limited (ASX: MOZ, **Company** or **MOZ**) provides the following update on activities undertaken for the quarter ended 30 September 2015, which includes activities up until the date of reporting:

HIGHLIGHTS

- Acquisition and granting of all 11 applied tenements for a total of 1,955km² completed
- 4 key graphite prospects identified, namely Chiwata, Masasi, Chidya and Namangale
- Geological mapping and ground EM surveys completed on Chiwata, Chidya and Namangale
- Chiwata RC drilling commenced with 21 RC holes for 1,156 metres being completed. 20 of the 21 holes intersected graphite mineralisation with thicknesses of mineralisation typically between 10 – 20 metres
- Chiwata diamond drill hole commenced. Visual identification of 3mm – 4mm graphite flake sizes in core
- Discovery of major new graphite deposit at Namangale. Drilling of 12 RC holes at 160m spacing was completed. Multiple large intercepts up to 100m thickness of graphite mineralisation, with several drill holes remaining open at depth
- RC Drilling is continuing at Namangale and planning for drilling at Chidya and Masasi is now underway
- Company's existing exploration program fully funded from raising over \$3.2 million during the quarter

OPERATIONS

Nachingwea Graphite Project, Tanzania

During the quarter, **Mozambi Resources Limited** (ASX: **MOZ**, **Mozambi**, **Company**) made significant advances in the Nachingwea Graphite Project located in the south east of Tanzania. These activities have confirmed the highly prospective nature of the MOZ tenements for medium to high-grade graphite mineralisation with coarse flake graphite.

MOZ completed the signing of a Terms Sheet on 18 August, 2015, that provided 100% acquisition (increased from 99%) of Nachi Resources Limited ("Nachi"). Under the terms, MOZ was granted an option to acquire up to 18 tenements that make up the Nachingwea Project. Under the terms of the Terms Sheet, MOZ has selected 7 key applications for acquisition, which have now been converted into prospecting licences PL10642, PL10643, PL10644, PL10665, PL10666, PL10667 and PL10668. MOZ exercised the option on 24 August 2015.

A further 4 applications were acquired on 9 September 2015, these have now been granted with the following PL numbers PL10716, PL10717, PL10718 and PL10719.

All 11 Tenements were confirmed as granted by the Tanzanian Ministry of Energy and Minerals which extended the MOZ tenement holding to a total of 1,955km². Within these tenements, MOZ has identified four key prospects, Chiwata, Masasi, Chidya and Namangale (See Figure 1).

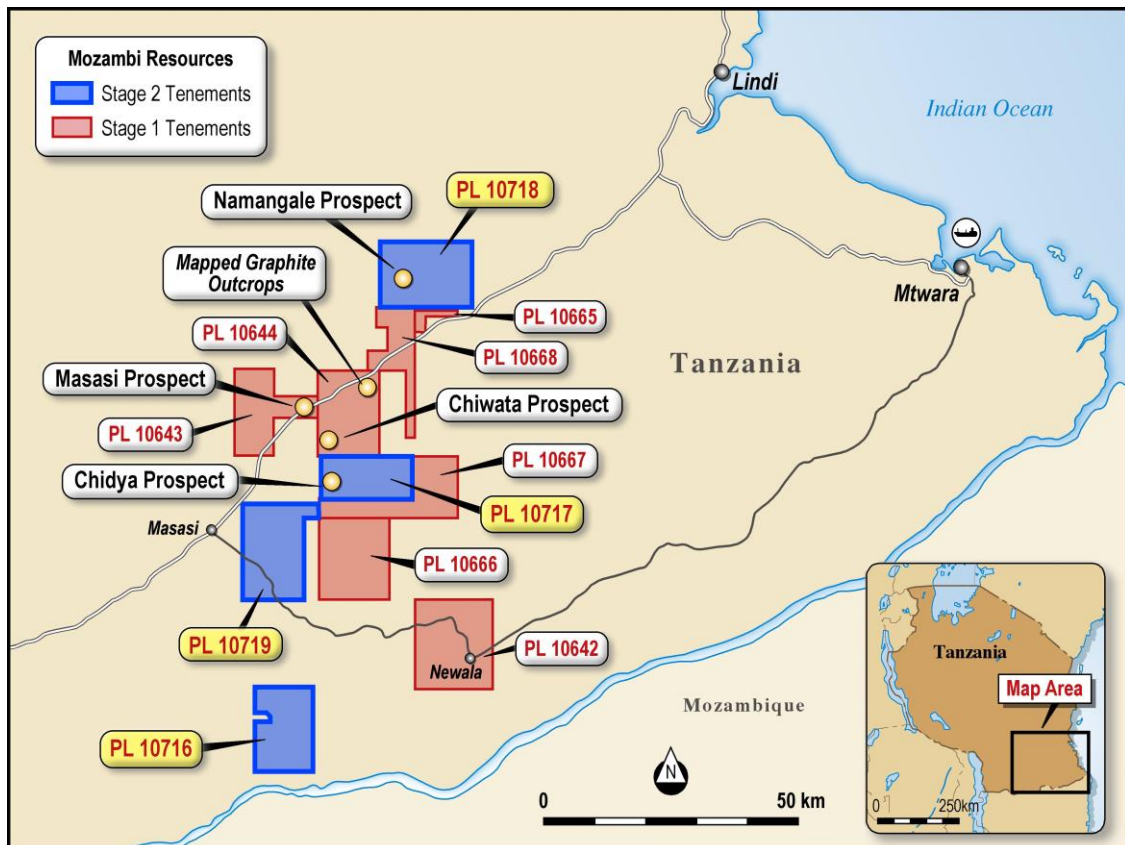


Figure 1 Location of the Nachingwea Project tenements

Exploration activities commenced immediately with geological mapping, rock chip sampling and ground geophysics at the Masasi and Chiwata Prospects.

Chiwata (PL10644) Prospect, Nachingwea Project

The Chiwata Prospect is located in the southwest corner of PL10644. Trenching was completed during the quarter and identified that the graphite schist has a visible width of between 1.5 – 15 metres, but the proportion of outcrop is low. Previous exploration has identified a lateral strike of over 1,000m.

A sample from the Chiwata prospect was taken for analysis of grade and graphite flake size distribution. The results from sample NG01 is presented in Table 1.

Table 1 Chiwata Sample Analysis¹

Sample #	Total Graphitic Carbon	% Weight Distribution		
		Jumbo	Medium to Large	Fine
		+300 Microns	+150 – 300Microns	-150 Microns
NG01	7.9%	36.2%	56.0%	7.7%

Further sampling at Chiwata returned average grades of 7.2% total graphitic carbon (“tgc”) from pits into fresh mineralisation and 7.6% tgc from rock chips. Within trenches 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% tgc¹.

A ground electromagnetic (“EM”) survey was completed over the Chiwata prospect in October and results indicated that graphite mineralisation continued along strike of the known outcropping mineralisation extending the exploration targets to 7km strike length.

21 RC holes for a total of 1,156 metres were completed on the Chiwata prospect with 20 holes intercepting shallow graphite mineralisation. Three lines were drill tested covering 800m strike length.

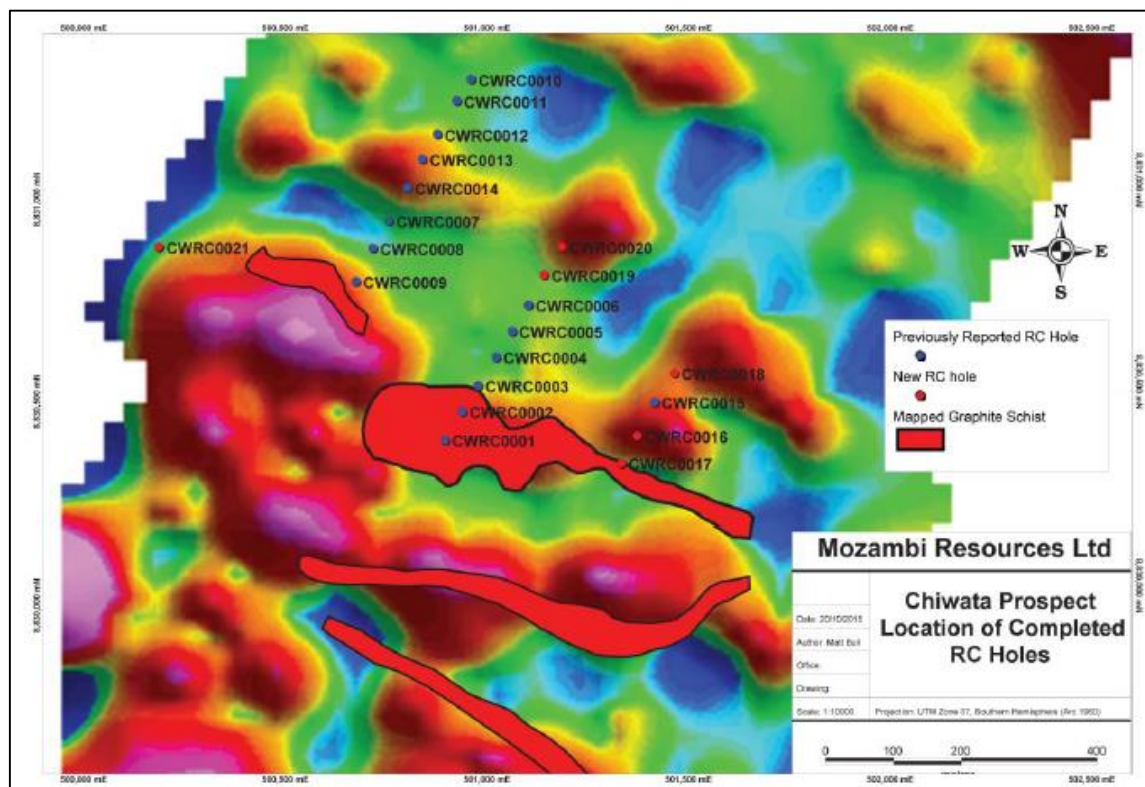


Figure 2 RC Drilling Location - Chiwata

¹ Refer to ASX announcement “Preliminary Results Show High Grade, Jumbo Flake Graphite, 13 August 2015.

Intersected thicknesses of mineralisation were typically between 10 – 20 metres. Mineralisation is open to the east and the west of the current drill pattern. Mineralisation is interpreted to get thicker to the east where intercepts of 23m and 25m were returned. The drilling intercepts are included in Table 2. Assays results are pending.



Figure 3 RC Drilling Rig Preparing to Commence Drilling at the Chiwata Prospect

Table 2 RC Drilling Graphite Intercepts Chiwata²

Hole ID	Easting	Northing	Azi/Dip	RL	Depth	From	To	Width
CWRC0001	500787	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
CWRC0016	501355	8830388	210/-60	611	76	50	73	23
CWRC0017	501316	8830321	210/-60	632	73	37	62	25
CWRC0018	501447	8830543	210/-60	648	85	41	43	2
and						52	54	2
CWRC0019	501124	8830787	210/-60	614	46	29	35	6
CWRC0020	501168	8830856	210/-60	601	28	4	18	14
CWRC0021	501168	8830856	210/-60	642	40	NSR		

Diamond drilling commenced at Chiwata to obtain a fresh sample of the graphite schist for analysis and flake size distribution. The hole is a twin of CWRC0004. Coarse flake sizes have been logged from the drill core, see Figure 4. Results are pending.

² Refer to ASX announcement “All fifteen holes drilled at Chiwata Prospect intercept near surface graphite mineralisation”, 12 October 2015.



Figure 4 Diamond Drill Core - Chiwata with 3mm - 4mm graphite flakes

Masasi (PL10643) Prospect, Nachingwea Project

Located in the eastern portion of Tenement PL10642 the Masasi Prospect outcrops on a small ridge. Trenching was completed during the quarter and demonstrated that the deposit strikes south west with visible graphite schist approximately 40-50m in width.

A sample from the Masasi prospect was taken for analysis and graphite flake size distribution. The results from sample NG06 is presented in Table 4Table 3.

Table 3 Masasi Sample Analysis³

Sample #	Total Graphitic Carbon	% Weight Distribution		
		Jumbo	Medium to Large	Fine
		+300 Microns	+150 – 300Microns	-150 Microns
NG06	9.1%	28.1%	50.2%	21.6%

Rock chip sampling at the Masasi prospect resulted in an average grade of 7.1% tgc with trenching resulting in a wide zone of 66m @ 4% tgc including 16m @ 5.5%, 14m @ 5.2% and 8m @ 5.1% tgc³.

Namangale Prospect, Nachingwea Project (PL10718)

A total of 16.8 line km of ground EM was surveyed at Namangale prospect during October. The survey revealed a significant area of high conductivity coincident with mapped outcrops of graphite schist. The surveyed anomaly appears to comprise three sub parallel conductive units covering an area of 1.8km by 800 metres. This was the high priority target for the first phase of drilling.

³ Refer to ASX announcement “Preliminary results show high grade, jumbo flake graphite”, 13 August 2015.

A single section of 12 RC bore holes at 160m spacing was completed on the Namangale prospect. This drilling returned multiple large intercepts up to 100m thickness of graphite mineralisation, with several drill holes remaining open at depth.

A summary of the results of the first 12 holes based on visual estimation carried out during the geological logging is provided in Table 4 below.

Table 4 Graphite Intercepts Namangale⁴

Hole ID	Easting	Northing	Azi/Dip	RL	Depth	From	To	Width
NMRC0001	517,279	8,861,794	90/0	323	85	0	73	73
NMRC0002	517,159	8,861,899	90/0	298	78	0	75	75
NMRC0003	517,038	8,862,004	90/0	324	100	0	100	100
NMRC0004	516,917	8,862,109	90/0	306	94	0	94	94
NMRC0005	516,796	8,862,214	90/0	297	49	0	35	35
NMRC0006	516,676	8,862,319	90/0	323	22	No Significant Intercept		
NMRC0007	517,400	8,861,689	90/0	317	52	0	47	47
NMRC0008	517,521	8,861,584	90/0	314	28	0	17	17
NMRC0009	517,642	8,861,479	90/0	328	82	0	76	76
NMRC0010	517,762	8,861,374	90/0	310	43	0	43	43
NMRC0011	517,883	8,861,269	90/0	310	16	0	5	5
NMRC0012	518,004	8,861,164	90/0	314	16	No Significant Intercept		

Two zones of mineralisation have been identified - the first 960m in width averaging 71m in thickness and the other 640m in width averaging 41m in thickness (see Figure 5). The drilling completed has targeted a large EM anomaly, which has previously been defined and has a strike length of over 1,800m⁴.

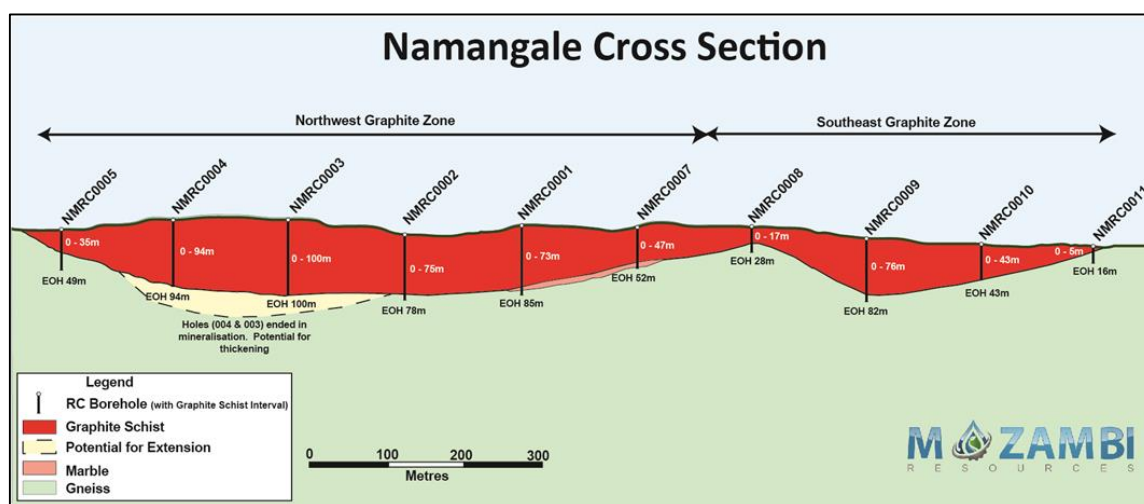


Figure 5 Namangale Interpreted Cross Section

⁴ Refer to ASX announcement “Major new graphite discovery at Namangale”, 27 October 2015.

CORPORATE

In July 2015, the Company completed a 1 for 4 non-renounceable rights issue ("Rights Issue") to raise \$925,000 from eligible shareholders at \$0.012 per share with a one for two free attaching listed MOZO option

In August 2015, the Company completed a Placement to raise \$606,000 from the issue of 50,500,000 shares at an issue price of \$0.012 per share (with a 1:2 free attaching MOZO option).

On 30 October 2015, the Company announced that it had secured a Placement to raise \$1,750,000 from the issue 50,000,000 shares at an issue price of \$0.032 with a one for four free attaching MOZO option.

The Company held a General Meeting of shareholders on 22 October 2015. All resolutions at all Meetings were passed without amendment.

Taylor Collison commenced initial research on MOZ during October.

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 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 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(607)	(607)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(284)	(284)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(889)	(889)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(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 - deposits	(20)	(20)
		(20)	(20)
	Net investing cash flows		
1.13	Total operating and investing cash flows (carried forward)	(909)	(909)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(909)	(909)
1.14	Cash flows related to financing activities		
	Proceeds from issues of shares, options, etc. *	1,532	1,532
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	(181)	(181)
	Net financing cash flows	1,351	1,351
	Net increase (decrease) in cash held	442	442
1.20	Cash at beginning of quarter/year to date	554	554
1.21	Exchange rate adjustments to item 1.20	4	4
1.22	Cash at end of quarter	1,000	1,000

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	95
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

During the quarter, 5,000,000 shares at a value of \$60,000 were issued under the terms of a variation of the Option to acquire 100% of the shares in Nachi Resources Limited, the sole owner of the Tanzania graphite project. This Option was exercised, as announced on 24 August 2015 and 20,000,000 shares are to be issued as consideration for the acquisition as approved by shareholders on 4 August 2015.

In addition, 16,000,000 shares at a value of \$192,000 were issued to settle consulting fees.

- 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	700
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	750

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	961	554
5.2	Deposits at call	39	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		1,000	554

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	Refer to schedule below		
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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	455,223,657	455,223,657		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	77,161,569 16,000,000 48,416,667 5,000,000	77,161,569 16,000,000 48,416,667 5,000,000	1.2 1.2 1.2 1.2	1.2 1.2 1.2 1.2
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options	475,000 2,200,000 265,330,784 18,000,000	- - 265,330,784 -	Exercise price 25.0 25.0 2.0 2.0	Expiry date 02/08/16 30/11/16 31/12/17 31/12/17
7.8 Issued during quarter	3,000,000 110,830,785	- 110,830,785	2.0 2.0	31/12/17 31/12/17
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ 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 October 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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Mining tenements held at 30 October 2015:**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%.

Tanzania

Project	Location	Tenement Number	Status	Beneficial interest
Tanzania graphite	Tanzania, Africa	PL10642, PL10643, PL10644, PL10665, PL10666, PL10667, PL10668, PL10716, PL10717, PL10718, PL10719	Exploration licence (prefix: "PL")	100% ¹

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

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