ASX ANNOUNCEMENT
By e-lodgement
1 December 2015

MAJOR DISCOVERY EXTENDS TO 3.2KM STRIKE LENGTH AND REMAINS OPEN TO THE NORTH AND SOUTH

Highlights:

- **Mineralisation has been extended to 3.2km strike length and remains open to the north and south (increase from 1.2km previously reported)**
- **Early JORC modelling is showing a significant size of graphitic mineralisation at Namangale**
- **A further 2 Diamond holes have been drilled intersecting 38m and 74m of mineralisation**
- **The company has continued to observe medium to high grade coarse flake graphite in numerous core samples taken in the diamond drilling**

- **Assay grades and metallurgical tests are being processed and are expected within a week.**
- **Drilling has now been completed, with a total of 61 holes now completed for 3,259m of RC drilling and 326m of diamond drilling at Namangale**
- **Excellent infrastructure in place with deep water port 140km from site with electricity, water and sealed roads available**

Introduction

Mozambi Resources Limited (ASX: MOZ, "**Mozambi", "the Company"**) is pleased to announce very thick **mineralisation has been extended to 3.2km strike length and remains open to the north and the south at the Company's flagship Namangale Project.** The drilling has confirmed the mineralisation is occurring as a flat lying body, commencing at or near surface and the deposit shows good continuity. **The company has continued to observe medium to high-grade coarse flake graphite in numerous core samples taken in the diamond drilling.**

Initial drilling was conducted using 160m by 400m spacing pattern over 4 drill lines. The final RC holes were drilled on a wider spacing, to test the extent of mineralisation. The deposit has now been extended to 3.2km in strike length and remains open in all directions.

Managing Director Alan Armstrong said, "The extension of the Namangale strike length to 3,200m further solidifies the prospectivity of this emerging major graphite deposit. It is becoming clear to the Company that the Namangale discovery is a very large mineralised system and is developing as one of Tanzania's largest graphite deposits".

Figure 1 shows the location of the Namangale Project tenements and the main graphite prospects that have been identified to date on the Company's tenement package. Mozambi has continued to build on its dominant tenement position in this extremely well located graphite rich area of Tanzania.

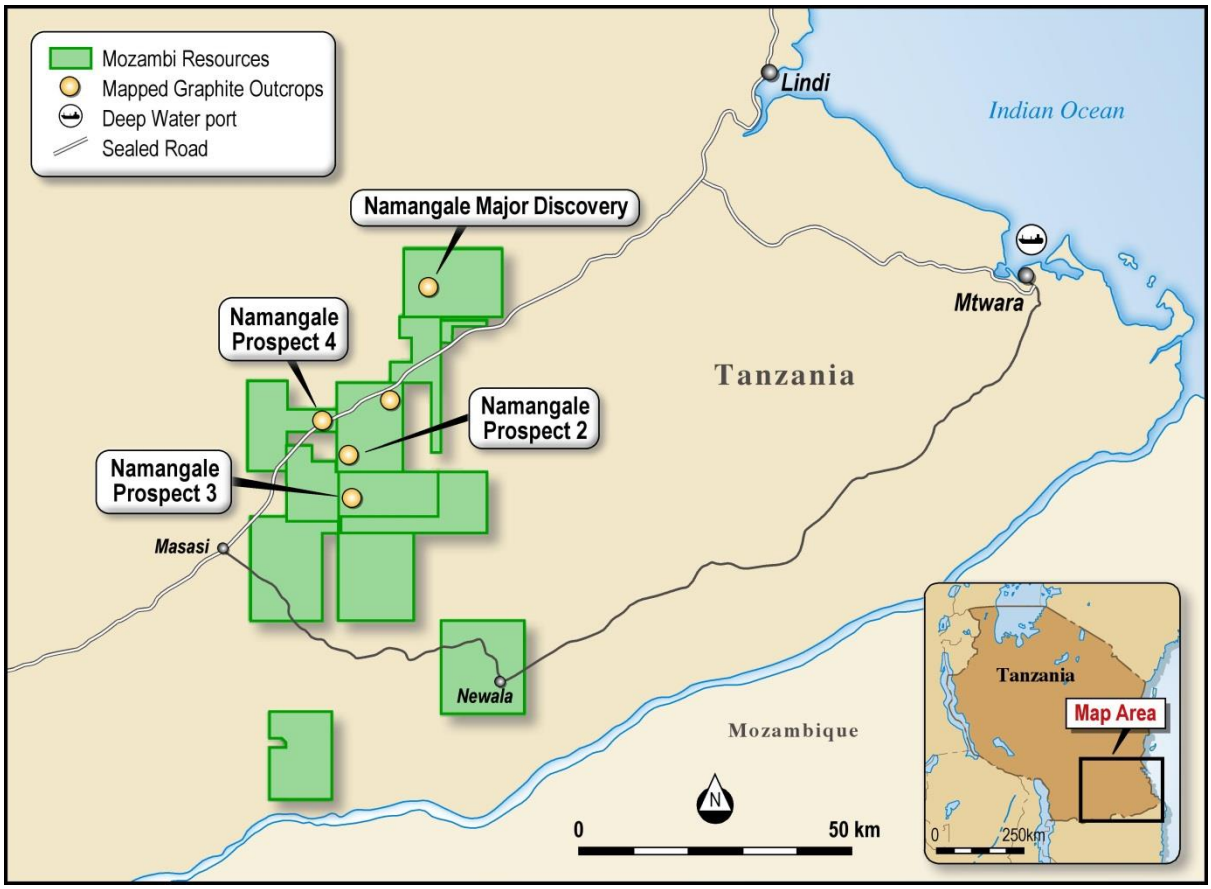

Figure 1 Location of the Nachingwea Project tenements

Following a review of tenement locations and anticipated future possible mine development, the Company has renamed its other known deposits with reference to the flagship Namangale Prospect. Specifically, the following deposits have been renamed; Chiwata is now Namangale 2, Chidya is now Namangale 3 and Masasi is now Namangale 4.

Namangale RC and Diamond Drilling Results Summary

61 RC holes for a total of 3,259 metres have now been drilled at the Namangale Prospect, with 44 RC holes intersecting graphite schist mineralisation. The mineralisation tested a large EM anomaly coincident with graphite schist outcrops. Drilling was completed using vertical holes into the mineralisation, which is interpreted to be gently undulating based on both geological mapping and the results of the EM survey. Two additional Diamond holes, twinning holes NMRC0031 and NMRC0052, have now also been completed with coarse flake mineralisation observed in the core and graphite mineralisation intersected 38m and 74m respectively. A summary of the results of the latest 14 RC holes based on visual estimation carried out during the geological logging is provided in **Table 1** below.

Table 1 Graphite Intercepts Namangale

Hole ID	Easting	Northing	Dip/Azi	RL	Depth	From	To	Width
NMRC0049	516794	8860680	-90/0	300	73	8	73	65
NMRC0050	516920	8860521	-90/0	233	73	10	70	60
NMRC0051	517285	8860205	-90/0	322	67	8	67	59
NMRC0052	517406	8860090	-90/0	284	49	1	36	35
NMRC0053	517521	8859995	-90/0	300	43			NSI
NMRC0054	516912	8860015	-90/0	300	55	18	55	37
NMRC0055	517132	8859807	-90/0	289	55	4	55	51
NMRC0056	516658	8860228	-90/0	308	67	5	67	62
NMRC0057	516410	8860429	-90/0	297	79	2	79	77
NMRC0058	515941	8860866	-90/0	282	40			NSI
NMRC0059	515785	8860442	-90/0	314	46			NSI
NMRC0060	516024	8860239	-90/0	298	46	4	46	42
NMRC0061	517615	8862553	-90/0	326	49	7	46	39

*NSI indicates no significant intercepts

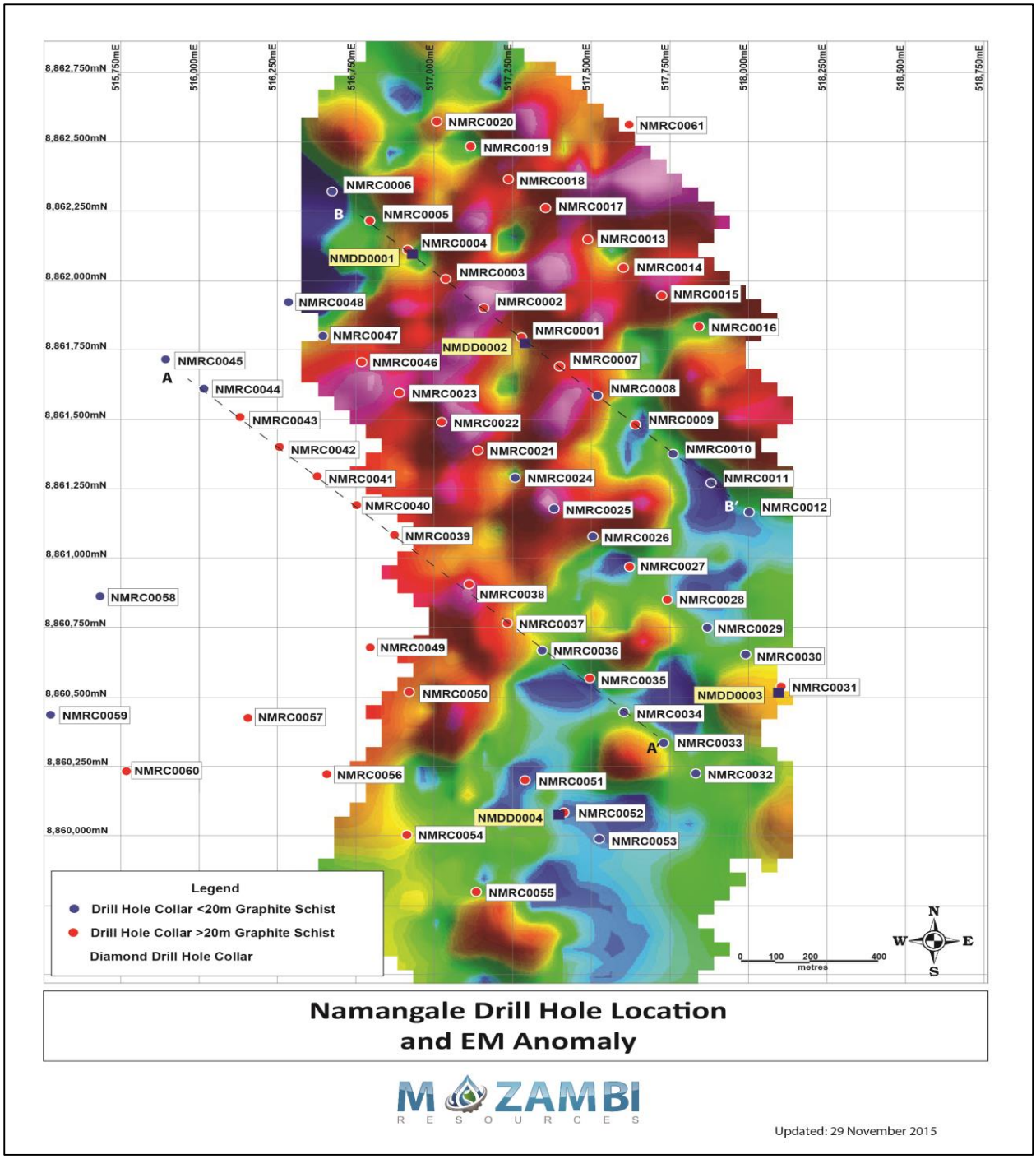

Figure 2 RC Drill-Hole Location Map over the Ground EM Anomaly

A map showing the location of all of the drilling completed on the Namangale Prospect to date, overlying the ground EM anomaly is shown above in **Figure 2**. The drilling program was primarily designed to test this EM anomaly, which has now been confirmed to be a strong indicator of underlying graphite mineralisation. The drilling pattern has now extended past the end of the surveyed area and mineralisation still remains open.

A map of the drill hole collar locations showing all of the drilling completed to date can be seen in **Figure 3**. Substantial areas of graphite schist occur to the south of a large sandstone ridge, with less exposure to the south, which is covered by a clay rich soil. The current drill program has now tested 3,600m of strike length with mineralisation remaining open to both the north and the south.

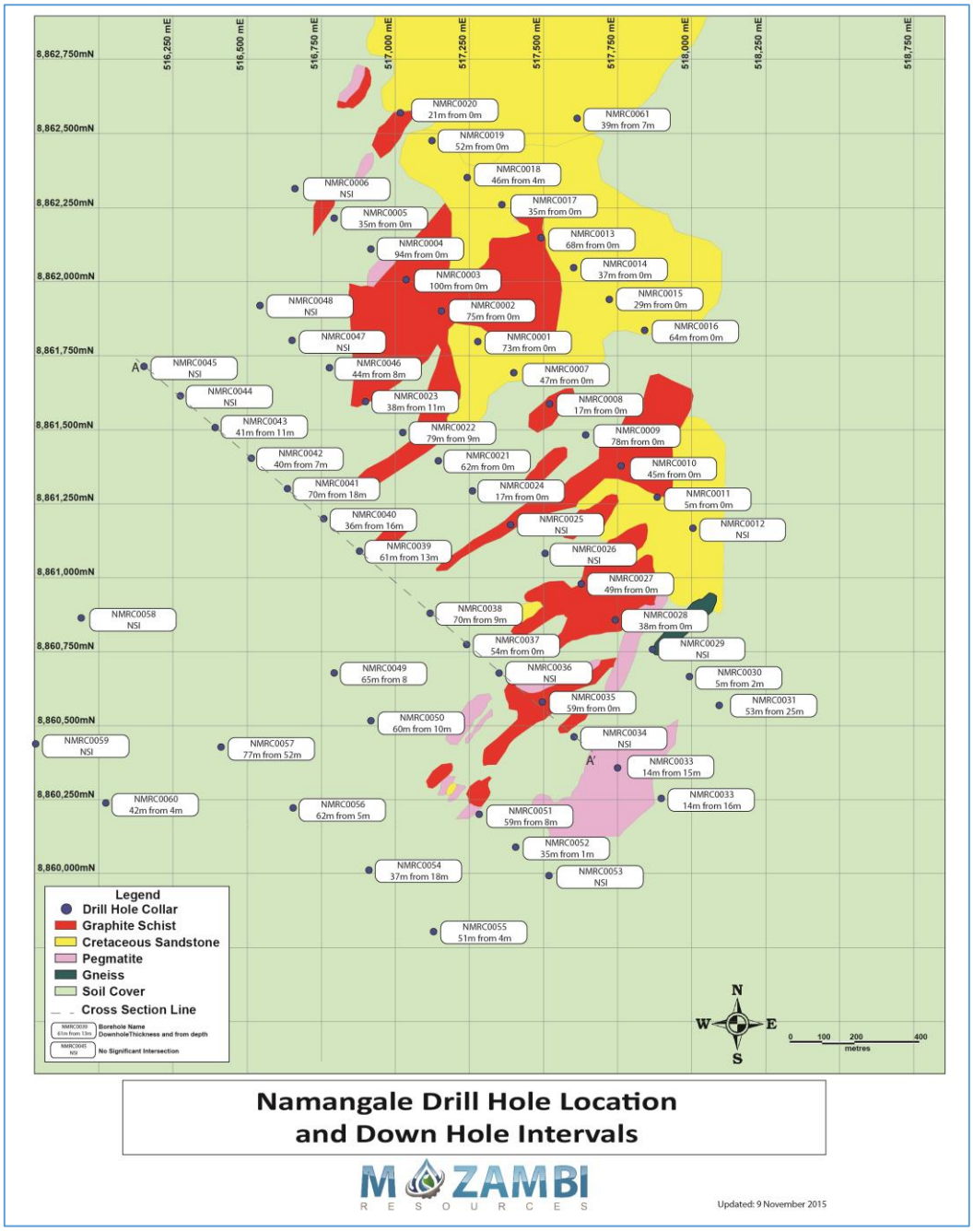

Figure 3 Geological Mapping and the Collar Location of the Drilled Completed at Namangale

A cross section of the first drill line with the results of the first holes returned is shown in **Figure 4**. The high grade intervals within the mineralised envelope are shown for the holes that have been returned to date.

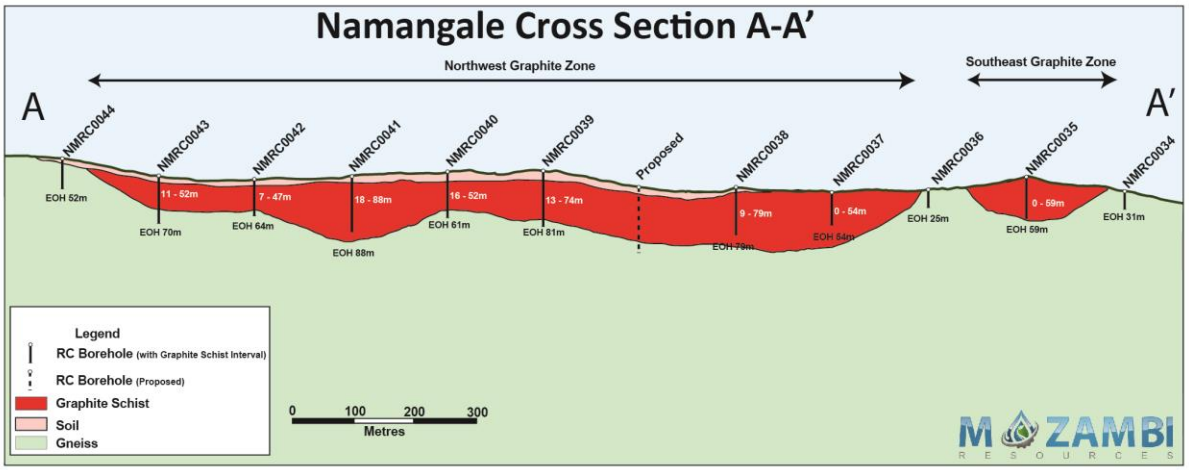

Figure 4 Interpreted Cross Section of the first line drilled at Namangale

Namangale Diamond Core Drilling

An additional 2 Diamond holes were drilled at the Namangale Prospect to get a better coverage of the mineralisation and to provide additional samples for further metallurgical test work planned in the new year. Both holes intersected graphite mineralisation after passing through shallow soil cover. The core from all diamond drilling completed on the project has been cut, sampled and will be tested for total graphitic carbon and flake size distribution. A summary of the Diamond drilling results is displayed in **Table 2** and the location of the holes is shown in **Figure 2.** An image of the core from holes NMDD0001, NMDD0002 and NMDD0004 are shown in **Figures 5.**

Table 2 Summary of Namangale Diamond Drilling Statistics

Hole ID	Easting	Northing	Azi/Dip	RL	Depth	From	To	Width
NMDD0003	518,101	8,860,546	90/0	320	41.7	2.5	40.5	**38.0**
NMDD0004	517,406	8,860,090	90/0	284	90.8	11	84.7	**73.7**

Figure 5 Diamond core from NNDD0002 from 41.15-45.75 (top left), NNDD0004 from 45-49 (top right), NNDD0001 from 82.2-86.7 (bottom Left) and NNDD0004 from 49-4 - 53.7m (bottom right)

Commencement of JORC Resource Modelling

Now that drilling has been completed for the 2015 calendar year, Mozambi Resources has now commenced JORC resource modelling which is anticipated to be completed following receipt of final assays. Concurrent with the return of the assays, the Company is also completing a DGPS survey of all of the drill holes, a topographic survey over the prospect area and down-hole deviation surveys of all holes completed this season. After defining a large mineralised graphitic body, Mozambi Resources is now focused on completing a JORC resource statement at Namangale and will use all of the data collected in the current exploration program to target a higher grade, larger flake size portion of the deposit, with a detailed program of infill drilling and an extensive program of metallurgical test work.

Existing Infrastructure

Mozambi Resources enjoys **excellent infrastructure, with the deep-water Mtwara Port only 140km from the Namangale Prospect. Power and sealed roads are available 10km from the deposit location.** The existing sealed road connects all the way to the port. **Figure 9** shows the port, which has existing present capacity of 400,000 metric tonnes per annum and could handle up to 750,000 metric tonnes per annum with the same number of berths if additional equipment is put in place for handling containerised traffic[i]. The port is currently heavily underutilised, with only approximately 34% of its existing capacity being utilised[ii].

Figure 9 shows the deep-water Mtwara Port

Conclusion

The Board of Mozambi Resources considers the results to date continue to indicate that the Namangale Prospect is rapidly emerging as a world-class graphite deposit. A substantial width of graphite mineralisation has now been defined and it is occurring from surface or near surface on multiple lines over 3,200m of strike length. Further drilling and assay results will be reported as they come to hand. The Company's focus now shifts to defining a JORC resource and developing and marketing this emerging world-class asset.

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.

---

[i] *http://www.tanzaniaports.com/index.php?option=com_content&view=article&id=131&Itemid=290*
[ii] *http://allafrica.com/stories/201407211545.html*

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. • Diamond Drilling was conducted by JCIL drill using HQ core diameter triple tube.
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. • Diamond drill recovery was good to excellent as is therefore not expected to influence grade.
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.

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.*	• 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 are 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 160m currently only the first four lines are nearly completed • 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 • Diamond drilling was used to twin four holes at Namangale
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 70-90 degrees.
Sample security	• *The measures taken to ensure sample security.*	• Transportation is carried out by company staff driving the samples to the Lab directly from site
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 PL10718 containing the Namagale Prospect which was granted on the 18th of July 2015 for a period of four years for the exploration of Graphite. The area covered by the prospecting license is 239.17km^2. The License is situated in the Ruangwa District The License is located within the Lindi region 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 Tenement is 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 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 tables 1 2.

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 as close as possible to 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 not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A drill-hole plan is provided in Figures 4 and 5 of this report
Balanced	• *Where comprehensive reporting of*	• No assays are reported.

Criteria	JORC Code explanation	Commentary
reporting	*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.*	
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 Namangale include. Ground EM survey results have also been reported previously. The announcement also includes a simplified geological map of the area.
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 the stage of preparing to calculate a JORC resource based in the area of the current drilling is currently being compiled.