



ASX ANNOUNCEMENT

By e-lodgement

31 July 2014

QUARTERLY REPORT – QUARTER ENDED 31 MARCH 2014

Mozambi Coal Limited (ASX: MOZ, **Company** or **MOZ**) provides the following update on activities undertaken during and since the quarter ended 30 June 2014:

OPERATIONS

Activities in the June quarter remained primarily focussed on the Company's Bowen River project (EPC 1768). Technical evaluation of historical drilling results in the region and other pre-drill exploration activities are continuing and the Company continues to work towards finalisation of access arrangements, including landholder compensation, environmental clearances and cultural heritage.

MOZ has finalised landholder compensation arrangements with one of the two relevant holders of pastoral leases covering EPC 1768. We are continuing in good faith to seek a mutually acceptable negotiated arrangement with the remaining leaseholder and remain hopeful that this can be finalised in the coming weeks. In the event that these negotiations are not satisfactorily concluded in an acceptable timeframe, MOZ notes that an efficient and equitable statutory arbitration process exists in Queensland to protect our rights of access to conduct exploration activities without further unreasonable delays. MOZ has complied with all relevant statutory provisions and timeframes for this alternative process to now be implemented should that prove necessary to ensure unhindered access for exploration within the coming quarter.

MOZ also continues to evaluate other potential new investment opportunities.

CORPORATE

Shareholder meeting and Placement

On 27 May 2014 Shareholders voted to approve the second tranche of the previously announced share placement to sophisticated investors and the associated share and option issues were completed on 6 June 2014.

FINANCE

As at 30 June 2014, the Company and its subsidiaries had a cash balance of \$511k. An ASX Appendix 5B for the quarter ended 30 June 2014 has been lodged together with this report.



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Appendix

In accordance with Listing Rule 5.3.3. MOZ provides the following information in relation to its mining tenements.

Mining tenements held at the end of the quarter:

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
EPC 2861	Queensland	EPC 2861	Exploration licence	95% ¹

1. *Blackall Capital Pty Ltd holds options to acquire these tenements.*

Mining tenement interests acquired during the quarter:

Nil.

Mining tenements disposed of during the quarter:

Nil.

Beneficial interests held in farm-in or farm-out agreements at the end of the quarter

Farm-in agreements

The Company owns a 70% interest in Dugal Resources Lda, a Mozambican entity which holds a 100% interest in the following licences:

Licence	Owner	Location	Commodities	Area (ha)
3245L	Camal & Companhia Lda	Tete province	Copper, Zinc, Lead	18,240
3246L	Camal & Companhia Lda	Tete province	Base Metals	20,240

Farm-out agreements

Nil

Beneficial interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Nil



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Mozambi Coal Limited

ABN

28 106 353 253

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(78)	(613)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(100)	(367)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	16
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – GST refunded	-	53
		(178)	(911)
Net Operating Cash Flows			
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	2
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
		1	2
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(177)	(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)	(177)	(909)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. *	391	595
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 – Share issue expenses	(47)	(47)
	Net financing cash flows	344	548
	Net increase (decrease) in cash held	167	(361)
1.20	Cash at beginning of quarter/year to date	347	871
1.21	Exchange rate adjustments to item 1.20	(3)	1
1.22	Cash at end of quarter	511	511

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	42
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 including some prior period arrears plus Company Secretary and other consulting fees for services provided by related entities.

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/a

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/a

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	121
Total	321

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	511	347
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		511	347

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	212,541,987	212,541,987	Various	Fully paid
7.4	Changes during quarter (a) Increases through issues: • Placement • Consultant issue (b) Decreases through returns of capital, buy-backs	40,009,669 600,000	40,009,669 600,000	1c Nil - consideration for services	Fully paid Fully paid
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options	475,000 2,200,000 50,000,000 9,000,000	- - - -	<i>Exercise price</i> \$0.25 \$0.25 \$0.02 \$0.02	<i>Expiry date</i> 02/08/16 30/11/16 31/12/17 31/12/17

+ See chapter 19 for defined terms.

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.8	Issued during quarter				
	• Placement	25,004,834	-	\$0.02	31/12/17
	• Incentive options	9,000,000	-	\$0.02	31/12/17
7.9	Exercised during quarter				
7.10	Expired during quarter	250,000	-	\$0.35	30/06/14
		250,000	-	\$0.45	30/06/14
		250,000	-	\$0.55	30/06/14
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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: 31 July 2014.....
(Director/Company secretary)

Print name: Alex Neuling

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.

+ See chapter 19 for defined terms.

- 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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