



MOZAMBI
R E S O U R C E S

ASX ANNOUNCEMENT

By e-lodgement

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MOZAMBI ACQUIRES TWO HIGHLY PROSPECTIVE GRAPHITE LICENSES IN MOZAMBIQUE

Highlights

- **Mozambi Resources signs option to acquire highly prospective graphite licenses**
- **License 6142L is contiguous with Triton Mineral's Nicanda Hill Project & 5km north of Syrah Resource's Balama Project**
- **Works program to commence immediately after the granting of licenses**

Introduction

Mozambi Resources Limited (ASX: MOZ, **Mozambi, Company**) is pleased to announce the signing of a terms sheet granting the company the option to acquire two highly prospective license applications in the graphite rich Balama-Montepuez region of Mozambique.

Commenting on the acquisition Executive Director of Mozambi Resources, Mr Alan Armstrong said: "We are very excited about the potential this area holds in an emerging basin for graphite and vanadium. The board is extremely pleased with the quick turnaround time we have seen from the start of negotiations through to this point. The smooth way in which we have been able to conduct this transaction is testament to the emerging mining industry in Mozambique."

The licenses are currently under application with the Mozambique Mines Ministry with granting of the licenses anticipated in the near future.

These licenses are in close proximity to existing large graphite and vanadium deposits held by ASX listed entities Triton Minerals Ltd and Syrah Resources Ltd.

Location

Over the last few years several world-class flake graphite deposits have been identified within the mobile belt with the largest of these deposits in the Cabo

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Delgado region where the two tenements acquired by Mozambi are located. The major deposits within the Cabo Delgado region include:

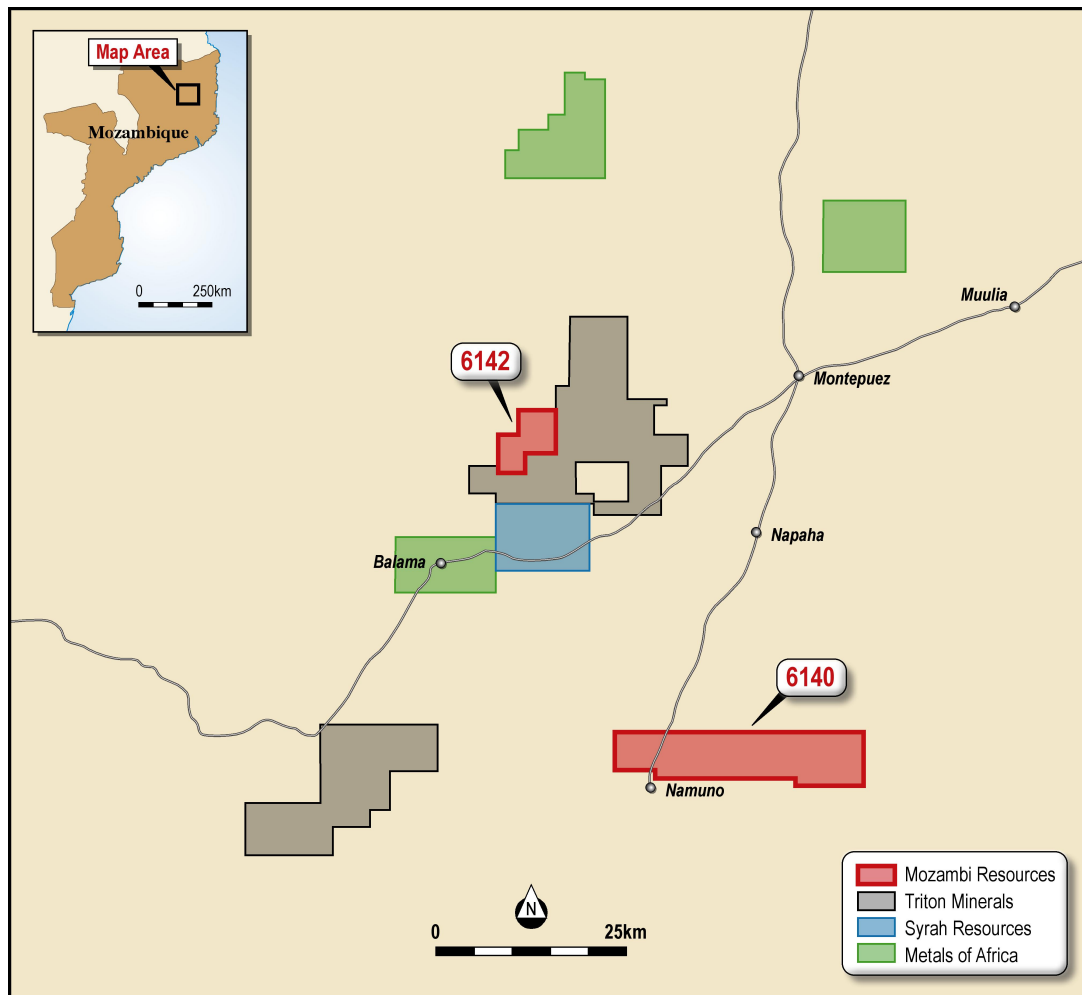
Syrah Resources (ASX: SYR) Balama Deposit 1.15 Bt @ 10.2% graphitic carbon and 0.23 % V_2O_5 ⁱⁱⁱ

Triton Resources (ASX: TON) Nicanda Hill Deposit 1.457 Bt @ 10.7% graphitic carbon and 0.27% V_2O_5 ^{iv}

License 6142L is contiguous with Triton Minerals Nicanda Hill Project. A map of the tenement location is shown in Figure 1. According to Triton Minerals, Nicanda Hill is the largest known graphite-vanadium deposit in the world.

Syrah's mining concession for the Balama Project is also approximately 5km to the south of 6142L. A mining license has recently been granted for this project.

Figure 1



The company is also very excited about the potential of License 6140L, as this is a largely underexplored area which may hold a lot of potential.

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Geology

The underlying geology of the tenements are high grade metamorphic rocks of the Mozambique mobile belt which stretches from Mozambique in the south to the red sea in the north marking a continent scale suture. The belt comprises rocks that have undergone intense deformation, and as a result contains high-grade metamorphic rocks up to granulite level.

Where the initial host rock contained carbon, this is typically converted into graphite at this metamorphic grade during the metamorphic process and there are widespread graphite occurrences throughout the belt. Several areas within the mobile belt are known to host large tonnage graphite deposits, typically with a relatively high proportion of larger flakes sizes. The deposits that have been identified to date are primarily in Mozambique and Tanzania to the north.

The Next Step

There has been limited fieldwork conducted on the tenements acquired to date whereby the Company plans to begin fieldwork immediately after the 2 licenses are granted. The company is optimistic of being able to begin fieldwork as early as late February or early March 2015, pending necessary approval from the Mozambique government.

This fieldwork will include a program of:

- Trenching
- Rock Chip Sampling
- Mapping
- Potentially Ground Geophysical Surveys

This fieldwork will be aimed at confirming the theory that license area 6142L contains a continuation of the same stratigraphic unit hosting that occurs at the Balama and Nicanda Hill Resources.

Work at defining targets on license area 6140L will occur concurrently and the company hopes to identify priority targets that will then be drill tested in order to define JORC compliant mineral resources.

Key Terms of the Agreement

The key terms of the agreement are as follows:

Upon acquiring the Option

- US\$50,000

Upon execution of the Sale Agreement Option

- US\$50,000; and
- 15 million ordinary fully paid shares in Mozambi Resources to be held in voluntary escrow until licenses are transferred to MOZ.

On reaching a JORC compliant resource of 300 million tonnes at more than 5% TGC (Total Graphitic Carbon)

- 15 million ordinary fully paid shares in Mozambi Resources to be held in voluntary escrow until licenses are transferred to MOZ.

On reaching a JORC compliant resource of 600 million tonnes at more than 5% TGC

- US\$250,000; and
- 15 million ordinary fully paid shares in Mozambi Resources to be held in voluntary escrow until licenses are transferred to MOZ

An ongoing Net Smelter Royalty of 3% has also been agreed on all minerals.

Conclusion

In summary, the board of Mozambi Resources are extremely pleased with the exploration potential of the licenses being acquired and the capital raising in December 2014 put's the company in a strong position to unlock shareholder value in the near future.

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.

iii <http://www.syrahresources.com.au/OurBusiness/OurProjects/BalamaMozambique.aspx>

iv ASX Announcement (ASX:TON) 21 October 2014 - "Nicanda Hill Maiden JORC Resource"

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