



MOZAMBI
R E S O U R C E S

ASX ANNOUNCEMENT

By e-lodgement

15 May 2015

EXTENSION OF EXCLUSIVITY – MOZAMBIQUE GRAPHITE LICENCES

Mozambi Resources Ltd (**Mozambi** or **Company**) is pleased to advise that it has extended the exclusivity period granted under the Term Sheet for the two highly prospective licenses in the graphite rich Balama-Montepuez region of Mozambique until 4 November 2015 or signing of formal documentation, whichever occurs first.

Under the Term Sheet signed in February 2015 granting Mozambi the option to purchase the two exploration licences in the Balama-Montepuez province in Mozambique, the Company was granted exclusivity in relation to negotiations concerning the sale or transfer of the licences for a period of three months from signing the terms sheet, or until signing of formal documentation, whichever occurs first.

Mozambi has now signed a variation of the Term Sheet extending the exclusivity period until the date which is nine months after the date of execution of this Term Sheet (that is, 4 November 2015) or the date of execution of formal documentation, whichever occurs first.

These licenses are in close proximity to existing world class graphite and vanadium deposits held by ASX listed entities Triton Minerals Ltd and Syrah Resources Ltd. Exciting exploration results 30 km to the north of Licence 6142L by Metals of Africa highlight the prospective nature of the wider Balama-Montepuez region of Mozambique.

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 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 % V₂O₅ⁱ

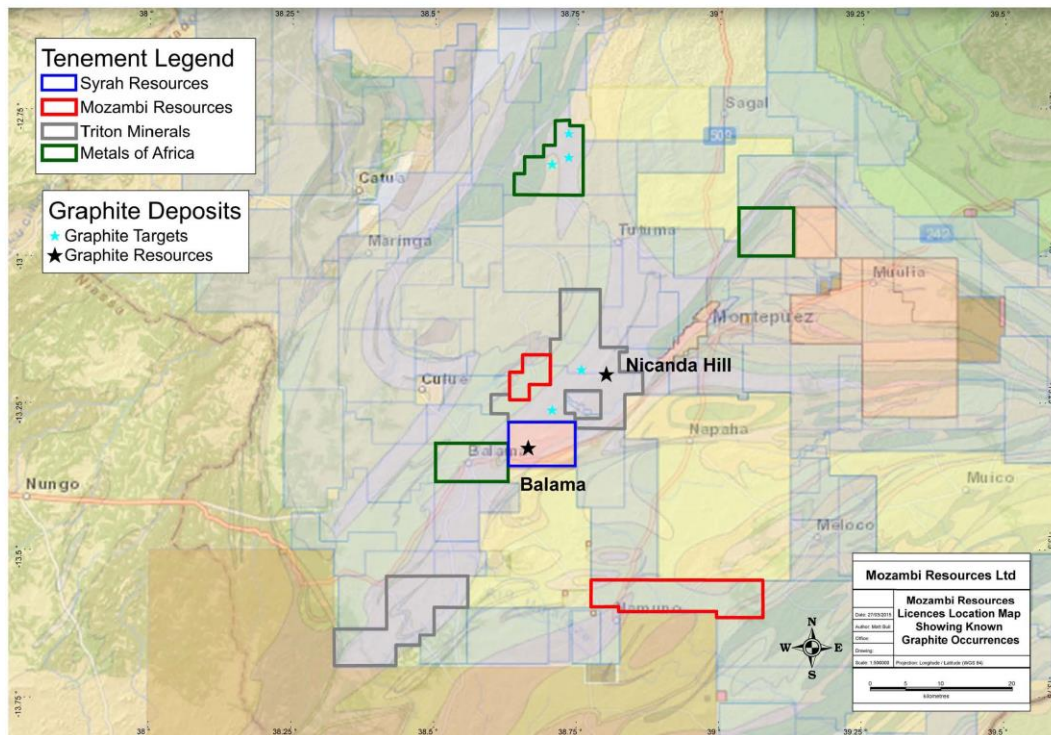
Triton Resources (ASX: TON) Nicanda Hill Deposit 1.457 Bt @ 10.7% graphitic carbon and 0.27% V₂O₅ⁱⁱ

For personal use only

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.

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

Mozambi are currently working with geologists based in Mozambique and Australia and carrying out desktop studies on the tenements under application. Post granting, Mozambi will carry out fieldwork as listed below:

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

This fieldwork will be aimed at accessing the potential that license area 6142L contains a continuation of the same stratigraphic unit hosting the Balama and Nicanda Hill graphite 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.

For and on behalf of Mozambi Resources Limited



Alan Armstrong
Mozambi Resources Ltd
Executive Director

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

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

For personal use only