



MOZAMBI

R E S O U R C E S

ASX ANNOUNCEMENT

By e-lodgement

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PLACEMENT HEAVILY OVESUBSCRIBED TO RAISE \$4.5 MILLION AND FAST TRACK PFS

HIGHLIGHTS

- **Mozambi successfully completes heavily oversubscribed placement to raise \$4.5 million before costs**
- **Funds raised to be used to fast track Pre-Feasibility Study (PFS) and development activities at the Company's advanced Namangale Graphite Project**
- **Sophisticated and professional investor participation was very strong with Taylor Collison acting as Lead Managers to the Placement**
- **The raising was supported by the Vendor, Directors, and Major Shareholders**
- **Mr Stephen Hunt appointed as Executive Chairman in an expanded role**

INTRODUCTION

Tanzanian graphite developer Mozambi Resources Ltd (**ASX:MOZ**) ("MOZ" or "the Company") has received commitments from sophisticated and professional investors to place 136,562,121 new fully paid ordinary shares at an issue price of \$0.033 (3.3 cents) per share to raise \$4,506,550 before associated costs (Placement).

The Placement will be completed in two tranches with approximately 30,000,000 shares placed under the Company's capacity in accordance with ASX Listing Rules 7.1 (Tranche 1), and approximately 106,562,121 shares subject to shareholder approval at a General Meeting at a date to be confirmed within the coming week, subject to ASX approvals (Tranche 2).

Due to the strong demand for the Placement, the Company has elected to take oversubscriptions in the order of \$1,866,550 from the original amount of \$2,640,000 sort by the Company in the Placement. The Placement, inclusive of oversubscriptions will **raise \$4,506,550** before costs.

Taylor Collison Pty Ltd acted as Lead Managers to this Placement, in their continued ongoing support of the Company.

Funds will be used to fast track a Pre-Feasibility Study (PFS) and continue development activities at the Company's 100% owned Tanzanian Namangale Graphite Project, as well as for working capital purposes.

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Mozambi Chairman, Mr Stephen Hunt commented:

"We are delighted with the support received from sophisticated and professional investors as a part of our capital raising. The extent of this support has demonstrated a great deal of confidence in our graphite project.

"The directors have been overwhelmed with the strong support received for this capital raising. Not only have the participants believed in the Company's strategy, but are also very supportive of the need to contribute to the evolution of the energy generation sector as the world embraces cleaner, greener technologies. Mozambi is on the way to providing a key ingredient of clean battery cell technology".

"The successful capital raising will now fully fund the Company to undertake a detailed PFS and push forward on aggressively developing the Namangale Graphite Project. This project contains the largest graphite JORC Resource in Tanzania, with a very high proportion of Super Jumbo and Jumbo flake size graphite distribution and we look forward to progressing towards production."

APPOINTMENT OF MR STEPHEN HUNT AS EXECUTIVE CHAIRMAN

With recent exciting advancements at Mozambi, including the definition of our maiden JORC Resource and paired with the determination and skilled management required to manage the PFS and other key corporate objectives such as the assessment and securing of potential off-take arrangements, Mr Hunt has accepted the role as Executive Chairman to oversee these corporate functions.

Mr Hunt was previously appointed as a non-executive director in December 2015 and has worked tirelessly with the Company to assist with the development of the Namangale Graphite Project in Tanzania.

Mr Hunt brings 15 years of cumulative board experience with ASX listed companies. Most recently he was a Non-Executive Director of graphite focussed, Magnis Resources Ltd (ASX: MNS) where his involvement included securing the finance and off take agreements for that Company. Coupled with this valuable board experience, Stephen has a significant marketing background and a proven track record of establishing strong customer relationships, making him ideally suited to lead the Company at this exciting juncture.

Stephen's marketing experience spans 25+ years in worldwide marketing of steel & mineral products. This includes 15 years with BHP Billiton, of which 5 years were spent in London marketing minerals to European & Middle Eastern customers. He has established an extensive network and has developed his own minerals trading company, which has a strong Chinese focus.

Subject to shareholder and ASX approvals at the upcoming General Meeting, Mr Stephen Hunt will apply for 3 million shares in the Placement at \$0.033 cents per share. In addition, fellow Director Mr Matthew Bull will also apply for 1.5 million shares in the Placement. Further details of this transaction will be provided in the upcoming Notice of Meeting.

BACKGROUND ON THE NAMANGALE PROJECT

The Namangale Project is the largest graphite deposit in Tanzania containing a JORC compliant Inferred Resource of 179Mt @ 5.1% TGC, as provided on the ASX Announcements Platform on 15 January 2016. The project is exceptionally well located in South Eastern Tanzania being 140km from a deep-water port and 10km from sealed roads. Mineralisation at the three drilled deposits, occurs from surface and remains open in all directions. After the completion of this capital raising the Company is now funded to complete a Pre-Feasibility Study into commencing production of high quality flake graphite targeting the rapidly expanding lithium-ion battery market. **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 established a dominant tenement position in this extremely well located graphite rich part of Tanzania.

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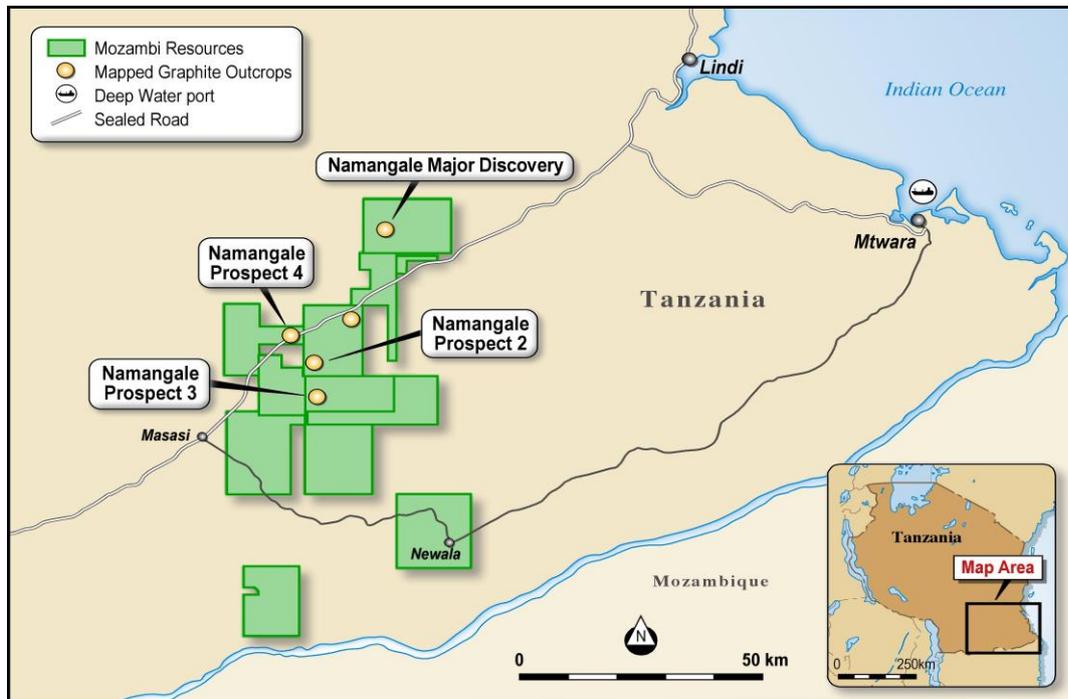


Figure 1 Location of the Nachingwea Project tenements

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