ASX ANNOUNCEMENT
By e-lodgement
11 January 2016

EXCEPTIONAL SUPER JUMBO AND JUMBO FLAKE GRAPHITE METALLURGICAL RESULTS CONTINUE

Highlights:

- **Results from diamond core flake size distribution, RC drilling grade and rock chip flake size distribution now received**
- **Exceptional flake size results from the first 3 of 9, diamond core holes confirming favourable mass distributions in the premium priced categories of Super Jumbo +600 microns, Jumbo +300 microns and Large +180 microns flake graphite**
- **Results from flake size distribution testing of graphite schist samples from Namangale 1, 2 and 3 show excellent results including up to 96.6% distribution in the Super Jumbo +500 microns, Jumbo +300 microns and Large +180 microns flake size categories**
- **RC assay results from Namangale 1 confirm wide intervals of mineralisation, over 3.2km of strike length currently drilled remaining open in all directions**
- **JORC modelling will be calculated on cut-off grade of 3.0% occurring as coherent zones with a mineralised schist unit with grades up to 16.0% TGC. JORC Resource results are imminent**
- **Discussions with a number of specialist companies with regards to initiating a Pre-feasibility study (PFS) on the Namangale projects are now underway**
- **Mozambi is reviewing requests from potential off take partners and end user groups requesting sample product**

Introduction

Mozambi Resources Limited (ASX: MOZ, "**Mozambi", "the Company"**) **is extremely pleased to announce exceptional metallurgical results from both the diamond and RC drilling campaign recently completed, noting Super Jumbo and Jumbo Flake mineralisation at Namangale 1, 2 and 3. The results highlighted outstanding distribution of up to 96.6% confirmed in categories of Super Jumbo, Jumbo and Large flake graphite and the RC drilling results auger well for the JORC resource.** Initial metallurgical results at all three working areas indicate the graphite is easily liberated from the host rock at a coarse crush size of 1mm. RC drilling results have now been returned and confirm wide intervals of **mineralisation over a strike length of 3.2km** at Namangale 1 and resource modelling is indicating a substantial graphite resource is present at Namangale. Metallurgical test work of the diamond core is continuing with further results to be released as they come to hand.

Mozambi Chairman, Stephen Hunt commented, "The distribution results confirming Super Jumbo and Jumbo Flake graphite at Namangale deposits 1, 2 & 3 are a tremendous validation of the excitement that the Board has for the Namangale project. These excellent flake size results combined with the consistent mineralisation grade are essential to maximising revenue and enabling the fast tracking of this project into production.

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

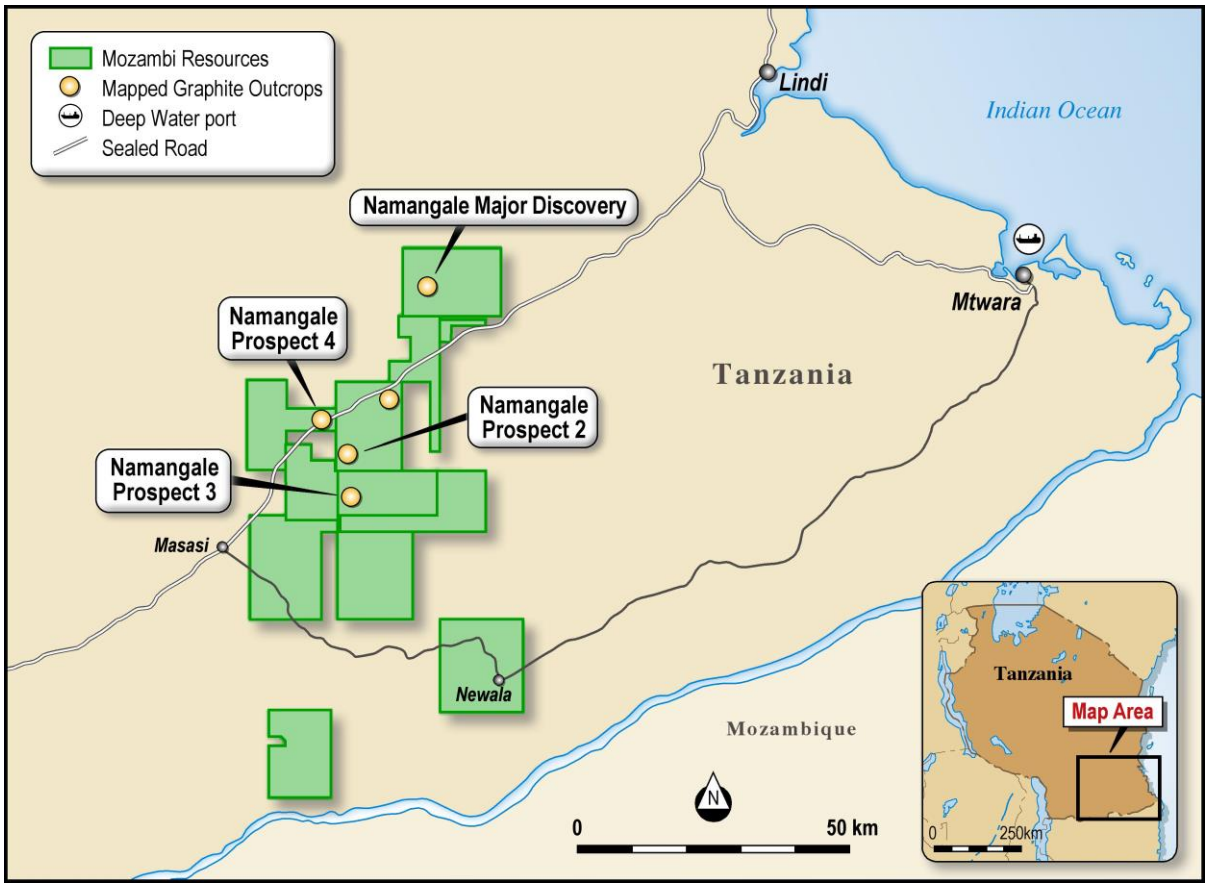

Figure 1 Location of the Namangale Project tenements

Namangale Chip Flake Size Distribution Results

Flake size distribution results from graphite schist samples from the Namangale 1, 2 and 3 deposits have returned exceptional flake size results with up to 37.9% Super Jumbo size of larger than 500µm and low proportions of fine and amorphous graphite. The best result from Namangale 2 returned a flake size distribution of 96.6% in the Large, Jumbo and Superjumbo categories.

Table 1 - Graphite Chip Flake Size Distributions Namangale

Flake Size	**Flake Size Distribution (%)**						
Deposit	**Namangale 1**				**Namangale 2**	**Namangale 3**	
(µm)	NMG01a	NMG01b	NMG02a	NMG02b	CWG01	CHG01	CHG02
> 500 (Super Jumbo)	35.6	25.8	13.4	23.1	29.4	29.0	37.9
300-500 (Jumbo)	16.9	48.1	47.2	25.0	44.7	37.7	39.0
180-300 (large)	19.4	17.9	23.1	18.5	22.5	21.6	14.8
150-180 (medium)	4.8	2.0	3.7	4.9	1.2	3.1	2.3
75-150 (fine)	9.9	4.1	7.8	12.2	1.6	6.0	4.0
-75 (amorphous)	13.5	2.1	4.8	16.2	0.7	2.6	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Results of Optical Microscopy Examination

Further Optical Microscopy results carried out by ALS Metallurgy based in Perth Western Australia from Namangale 1, confirm large flake sizes are present at Namangale 1 and are comparable to previously announced results from Namangale 2 and 3. ALS initially crushed the samples top pass through a 3.35mm screen and then screened the sample through a 1mm and 0.5mm screen. This process created three size fractions, which were individually examined. Images of graphite mineralisation from each of the size fractions are shown in Figures 2a-2c. The key findings were that the graphite flakes in the larger size fraction were unliberated from the host rock. Graphite flakes in the 1mm to 0.5mm size fraction were mostly liberated as can be seen in Figure 2b and frequently contained large graphite flakes up to 1,000 microns in size. In the sub 0.5mm fraction the graphite flakes were well liberated as can be seen in Figure 2c and frequently contained graphite flakes between 450 microns and 800 microns. These results were produced with no chemical processing and indicate mineralisation from this area has the potential to achieve excellent levels of graphite concentration using a low cost flotation separation without crushing to fine particle sizes or using chemical treatments.

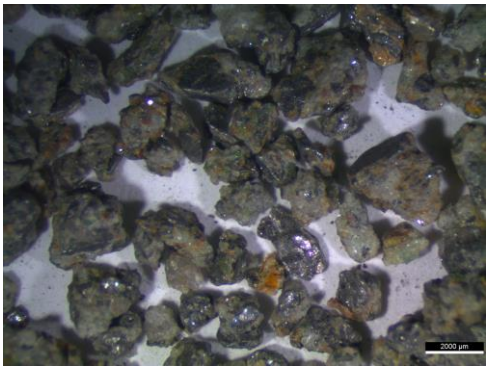

Figure 2a Sample from Namangale 1 showing unliberated graphite flakes

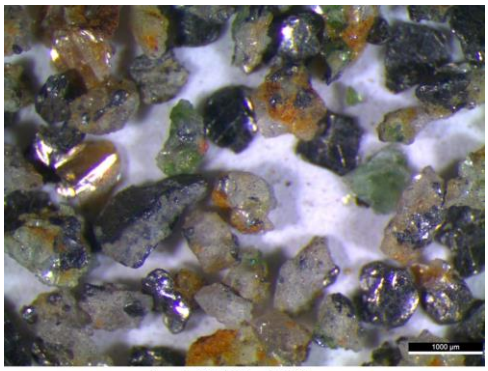

Figure 2b sample from Namangale 1 showing mostly liberated graphite flakes up to 1000 microns in size

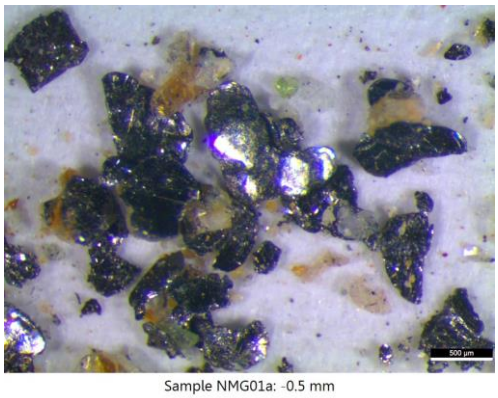

Figure 2c sample from Namangale 1 showing well liberated graphite flakes

Metallurgical Results from Diamond Core Composites

Initial mass distribution results from the first 3 diamond core composites have been returned showing high mass proportions in the larger size fractions. The mass fractions are currently being assayed to determine the proportion of graphite contained in each size fraction.

Table 2 - Mass Distributions from Diamond Core Composites

	Namangale 1 NMDD0003 11m-20m		Namangale 2 CWDD0001 24.05m-32.5m		Namangale 3 BLDD0001 2.7m-19.7m	
Size Fraction	**Mass**		**Mass**		**Mass**	
	g	**%**	**g**	**%**	**g**	**%**
+600µm	251.43	53.16	145.71	44.49	237.43	49.74
+300µm	72.99	15.43	77.52	23.67	90.96	19.06
+180µm	49.63	10.49	37.11	11.33	54.06	11.33
+75µm	47.73	10.09	35.29	10.78	54.42	11.40
-75µm	51.2	10.82	31.86	9.73	40.43	8.47
Total	472.98	100.00	327.49	100.00	477.30	100.00

Results of RC Drilling and JORC Modelling

The results of RC drilling have now been returned and confirm wide intervals of graphite mineralisation is present over 3,200m in strike length and the deposit remains open in all directions. The results of the RC drilling program are highly encouraging and compare favourably to other large flake graphite deposits in Tanzania. Modelling of the results of the drilling is progressing well and the company expects to be in a position to announce its maiden JORC resource later in January. A table of significant intervals is shown in Appendix 1, while the location of the significant intervals are shown in Figures 3, 4 and 5.

A total of 82 RC holes for a total of 4,472 metres have now been drilled at the Namangale 1, 2 and 3 prospects. The drilling targeted areas of outcropping graphite schist mineralisation occurring coincident with anomalies identified by ground EM surveys. Drilling was completed using vertical holes into the mineralisation at Namangale 1 and 3 with holes inclined 60 degrees to the south in Namangale 2. After drilling, all three deposits are interpreted to be gently undulating flat lying graphite schist units which accords with both the geological mapping and the results of the three EM surveys covering the deposits. A total of 10 diamond drill holes were also drilled for a total of 535.2m, twinning mineralised RC holes in order to obtain representative samples for metallurgical test work. **JORC modelling will be calculated on medium to high grade assays with a 3% cut-off, received noting grades up to 16.0%**

Geological maps of the Namangale 1, 2 and 3 deposits can be seen in **Figures 3, 4 and 5** showing the location of the metallurgical samples and the drill hole collar locations for both the RC and Diamond drilling completed to date. All three deposits are interpreted to be generally flat lying with gently undulating folding with varying levels of outcrop.

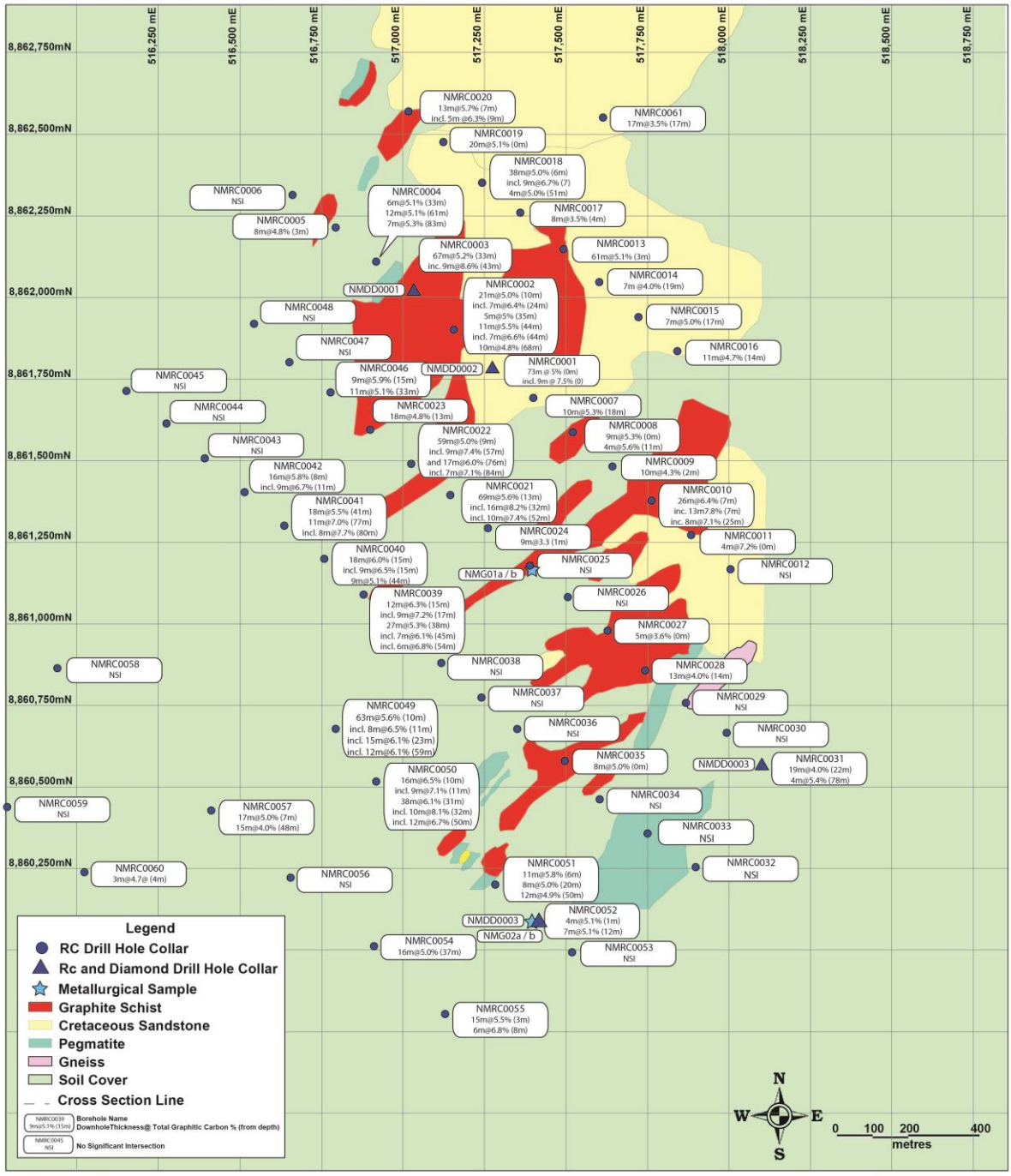

Figure 3 Geological Mapping and the Collar Location of the Drilled Completed at Namangale

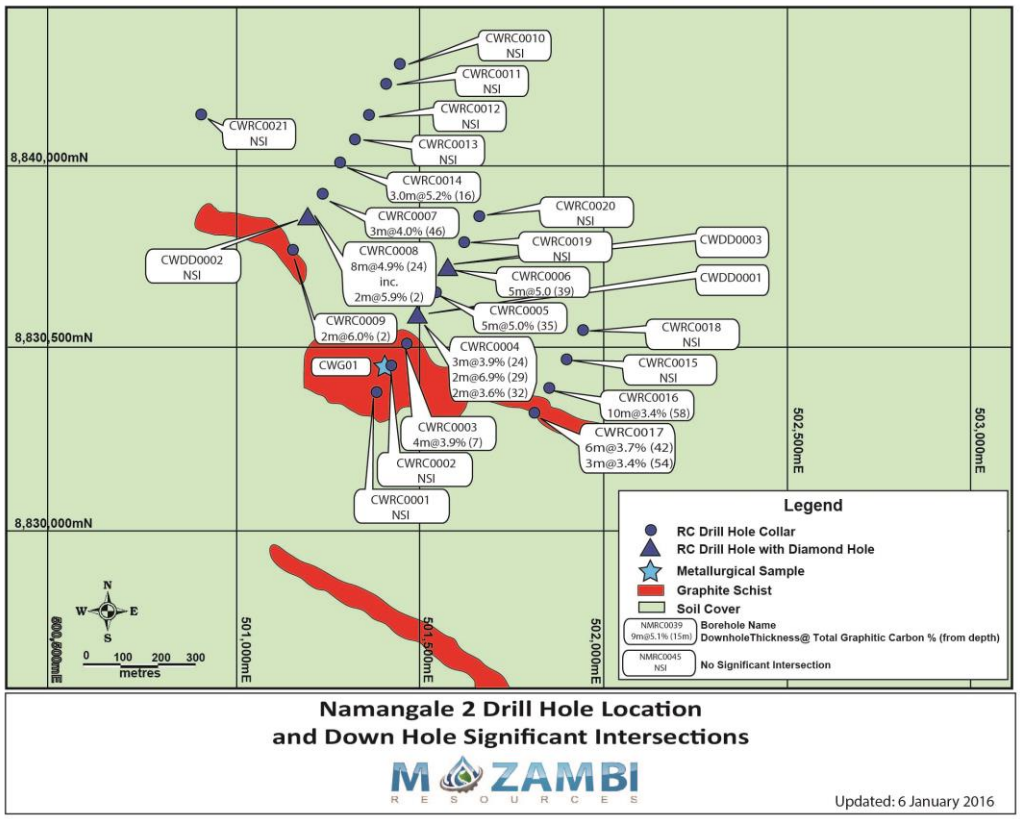

Figure 4 Geological Mapping and the Collar Location of the Drilled Completed at Namangale 2

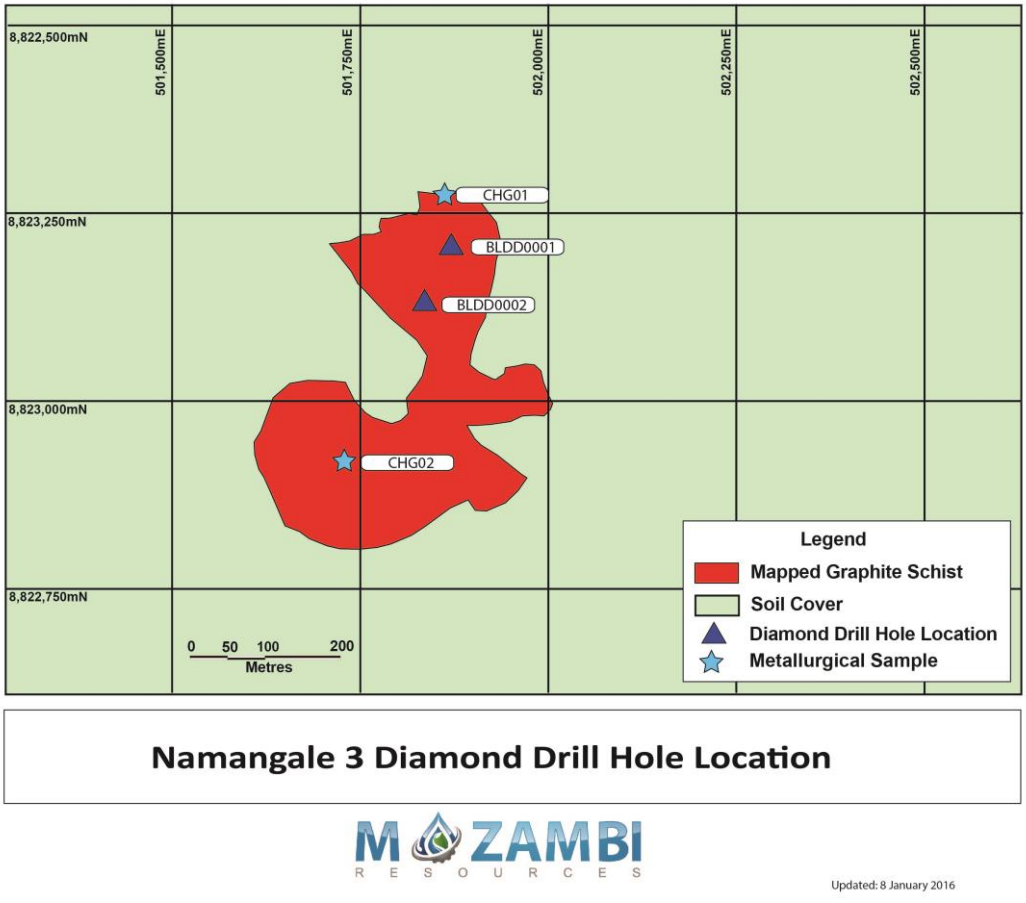

Figure 5 Geological Mapping and the Collar Location of the Drilled Completed at Namangale 3

Corporate

Mozambi Resources is reviewing requests from potential off take partners including end-user groups requesting sample product. A number of these requests have now been received and will be carefully reviewed by the Board.

In addition to this, the Company is currently in discussions with a number of specialist companies with regards to initiating a Pre-feasibility study (PFS) on the Namangale projects.

The market will be kept informed of any material developments with regards to these discussions.

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 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 potential world class graphite deposit. Wide intervals of graphite schist mineralisation have now been confirmed by drilling over extensive areas and initial metallurgical testing continues to produce excellent results. Mozambi is now focused on completing the Company's maiden JORC Resource and proving up the potential of the project to produce high quality Jumbo and Super Jumbo flake graphite, which continues to attract premium pricing and very strong customer demand.

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.

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

[ii] *http://allafrica.com/stories/201407211545.html*

Appendix 1 Significant Intercepts from Namangale Drilling Program

Hole ID	Easting	Northing	Dip/Azi	RL	Depth	From	To	Interval	TGC
NMRC0001	517279	8861794	-90/0	323	85	0	73	73	5.0
Including						0	9	9	7.5
NMRC0002	517159	8861899	-90/0	298	78	10	31	21	5.0
Including						24	31	7	6.4
And						35	40	5	5.0
And						44	55	11	5.5
Including						44	51	7	6.6
And						68	78	10	4.8
NMRC0003	517038	8862004	-90/0	324	100	33	100	67	5.2
including						43	52	9	8.6
NMRC0004	516917	8862109	-90/0	306	94	33	39	6	5.1
And						61	73	12	5.1
And						83	90	7	5.3
NMRC0005	516796	8862214	-90/0	297	49	3	11	8	4.8
NMRC0007						18	28	10	5.3
NMRC0008	517521	8861584	-90/0	314	28	0	9	9	5.3
And						11	15	4	5.6
NMRC0009	517642	8861479	-90/0	328	82	2	12	10	4.3
NMRC0010	517762	8861374	-90/0	310	43	7	33	26	6.4
Including						7	20	13	7.8
Including						25	33	8	7.1
NMRC0011	517883	8861269	-90/0	310	16	0	4	4	7.2
NMRC0013	517491	8862145	-90/0	328	73	3	64	61	5.1
NMRC0014	517602	8862043	-90/0	312	37	19	26	7	4.0
NMRC0015	517723	8861938	-90/0	307	49	17	24	7	5.0
NMRC0016	517840	8861830	-90/0	325	64	14	25	11	4.7
NMRC0017	517359	8862255	-90/0	334	40	4	12	8	3.5
NMRC0018	517241	8862352	-90/0	330	61	6	44	38	5.0
Including						7	16	9	6.7
And						51	55	4	5.0
NMRC0019	517122	8862473	-90/0	314	52	0	20	20	5.1
NMRC0020	517014	8862564	-90/0	314	30	7	20	13	5.7
Including						9	14	5	6.3
NMRC0021	517144	8861388	-90/0	321	82	13	82	69	5.6
Including						32	48	16	8.2
Including						52	62	10	7.4
NMRC0022	517024	8861490	-90/0	282	94	9	68	59	5.0

Including						57	66	9	7.4
And						76	93	17	6.0
Including						84	91	7	7.1
NMRC0023	516897	8861591	-90/0	300	49	13	31	18	4.8
NMRC0024	517259	8861287	-90/0	307	34	1	10	9	3.3
NMRC0027	517623	8860971	-90/0	300	49	0	5	5	3.6
NMRC0028	517745	8860855	-90/0	322	43	14	27	13	4.0
NMRC0031	518101	8860546	-90/0	320	82	22	32	10	4.0
And						78	82	4	5.4
NMRC0035	517494	8860573	-90/0	309	70	0	8	8	5.0
NMRC0039	516875	8861085	-90/0	312	81	15	27	12	6.3
Including						17	26	9	7.2
And						38	65	27	5.3
Including						45	52	7	6.1
Including						54	60	6	6.8
NMRC0040	516755	8861190	-90/0	317	61	15	33	18	6.0
Including						15	24	9	6.5
And						44	53	9	5.1
NMRC0041	516634	8861295	-90/0	310	88	41	59	18	5.5
And						77	88	11	7.0
Including						80	88	8	7.7
NMRC0042	516513	8861400	-90/0	300	64	8	24	16	5.8
Including						11	20	9	6.7
NMRC0046	516775	8861702	-90/0	306	52	15	24	9	5.9
And						33	44	11	5.1
NMRC0049	516794	8860680	-90/0	300	73	10	73	63	5.6
Including						11	19	8	6.5
Including						23	38	15	6.1
Including						59	71	12	6.1
NMRC0050	516920	8860521	-90/0	233	73	10	26	16	6.5
Including						11	20	9	7.1
And						31	69	38	6.1
Including						32	42	10	8.1
Including						50	62	12	6.7
NMRC0051	517285	8860205	-90/0	322	67	6	17	11	5.8
And						20	28	8	5.0
And						50	62	12	4.9
NMRC0052						1	5	4	5.1
And						12	19	7	5.1
NMRC0054	516912	8860015	-90/0	300	55	37	53	16	5.0
NMRC0055	517132	8859807	-90/0	289	55	3	18	15	5.5
Including						8	14	6	6.8
NMRC0057	516410	8860429	-90/0	297	79	7	24	17	5.0

						48	63	15	4.0
NMRC0060	516024	8860239	-90/60	298	46	4	7	3	4.7
NMRC0061	517615	8862553	-90/60	326	49	17	34	17	3.5
CWRC0003	500960	8830513	-60/210	598	31	7	11	4	3.9
CWRC0004	501005	8830583	-60/210	625	60	24	27	3	3.9
And						29	31	2	6.9
And						32	34	2	3.6
CWRC0005	501044	8830647	-60/210	613	64	35	40	5	5.0
CWRC0006	501085	8830712	-60/210	639	88	39	44	5	5.0
CWRC0007	500739	8830921	-60/210	629	64	46	49	3	4.0
CWRC0008	500699	8830853	-60/210	613	49	21	29	8	4.9
Including						24	29	2	5.9
CWRC0009	500657	8830770	-60/210	606	58	2	4	2	6.0
CWRC0014	500785	8831002	-60/210	630	52	16	19	3	5.2
CWRC0016	501355	8830388	-60/210	611	76	58	68	10	3.4
CWRC0017	501316	8830321	-60/210	632	73	42	48	6	3.7
And						54	57	3	3.4

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. • For the diamond core samples sent for flake size analysis the core was logged for material type and mineralized zones sampled according to material type. These were then crushed to 1mm and then split into the respective size fractions Assay data for each of the size fractions is still outstanding. • For the rock chip samples used for metallurgical test work, mineralized samples were selected over outcropping areas of each of the deposits. 2-3kg samples were then crushed to 1mm and split into the respective size fractions and assayed to determine the proportion of graphite in each size fraction.
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 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*	• 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

Criteria	JORC Code explanation	Commentary
	quantitative in nature. Core (or costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	transferred to excel logging sheets • Logging is semi-quantitative based on visual estimation.
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. • Twin holes were completed to test the repeatability of the RC assay results however results from the

JORC Code, 2012 Edition
Table 1

Criteria	JORC Code explanation	Commentary
		Diamond core sampling are still outstanding. • No adjustments were made to the assay data
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.* • *Quality and adequacy of topographic control.*	• Digital GPS survey was used to precisely identify the position of all drill-hole collars (xy horizontal error of 1-2 meters) and reported using ARC 1960 grid and UTM datum zone 37 south.
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 mostly carried out on a pattern of 400m by 160m with some areas of wider spacing of 800m by 320m at Namangale 1 • Drill spacing at Namangale 2 was carried out on 400m by 80m • Two Diamond holes were drilled at 80m spacing at Namangale 3 • Data spacing is considered close enough to establish a good degree of geological confidence and will be used to calculate a JORC compliant Resource. • No compositing has been applied for the RC drilling • Diamond drilling was used to twin two holes at Namangale 1 and 2.Two holes 80 meters apart were used to target outcropping mineralisation at Namangale 3. The Core was cut into Quarters and samples for TGC in one meter intervals to compare with the adjacent RC twin holes. The results of these samples are still outstanding. Metallurgical sampling was carried out compositing the mineralized intervals.
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 preparation Lab in Mwanza 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 PL10644 containing the Namangale 2 deposit was granted on the 9th of July 2015 for a period of four years for the exploration of Graphite. The area covered by the prospecting licenses is 198.02km2. PL10644 License is situated in the Ruangwa and Masasi districts. The PL Straddle the boundary of the Lindi and Mtwara regions of south-east Tanzania. While the prospecting license PL10718 containing the Namangale 1 Prospect 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. While the prospecting license PL10717 containing the Namangale 3 Prospect was granted on the 18th of September 2015 for a period of four years for the exploration of graphite. The area covered by the prospecting license is located within the Mtwara region of south east Tanzania. The area covered by this prospecting license is 142.84km2 • The PL's are 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's. The Tenements are 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's was known by the previous owners.

JORC Code, 2012 Edition
Table 1

Criteria	JORC Code explanation	Commentary
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 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.*
		• 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 Appendix 1. Maps for each of the deposits are shown in figures 3, 4 and 5 which show the location of all of the samples reported in this announcement over the mapped geology of each of the deposits.

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.*	• All RC results are from 1m sampling and no weighting was applied. • Cut-off grade of 3% was used, where the interval contained lower grades zones this was not removed and incorporated into the significant intercept.

JORC Code, 2012 Edition
Table 1

Criteria	JORC Code explanation	Commentary
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 3,4 and 5 showing the relationship between the assay results.
Balanced reporting	• *Where comprehensive reporting of 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.*	• All significant intercepts are reported, mineralisation less than 3% is not considered material given the Resource cut-off grade is 3%
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 1, 2 and 3 include Ground EM surveys, mapping, trenching, rock chip sampling all of the results of this work were previously reported. The announcement also includes a simplified geological map of the area showing all significant intercepts.
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.*	• A Resource estimate is currently being carried out based of the results of the current drilling program reported in this announcement. Further work is expected to include infill drilling to upgrade the category of the Resource as well as further diamond drilling to obtain more representative samples for metallurgical test work.