Mozambi Coal Ltd

A Mozambique-Focused Coal Exploration & Development Company

Investor Presentation

May 2011

Company Snapshot

Company Overview

- Mozambi Coal Limited **(ASX:MOZ)** is an ASX-listed coal exploration and development company focused on Mozambique
- The Zambeze Coal Basin in Mozambique is one of the world's largest undeveloped coal basins
- The Company holds rights to a 70% interest in two licences spanning 384.8km^2 with a combined Target Mineralisation of between 3.10 – 3.87 billion tonnes* of coking and thermal coal
- In January 2011, the Company successfully raised A$4,000,000 in order to fund exploration of its Projects
- The initial drilling programme commenced in May 2011

Corporate Strategy

- Aggressive exploration programme
- Acquisition of additional licenses
- On the ground presence

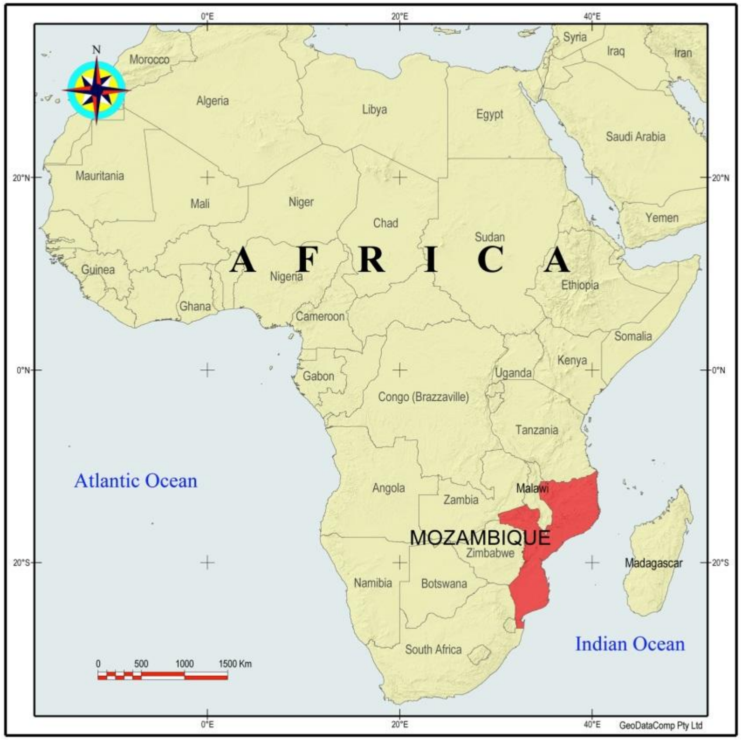
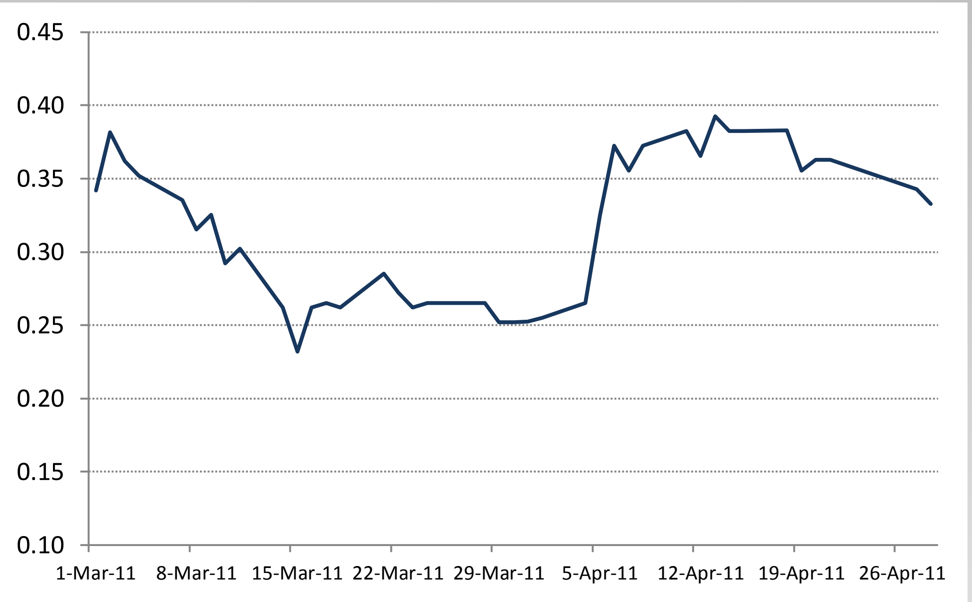


Figure 1: Location Map of Mozambique in Africa

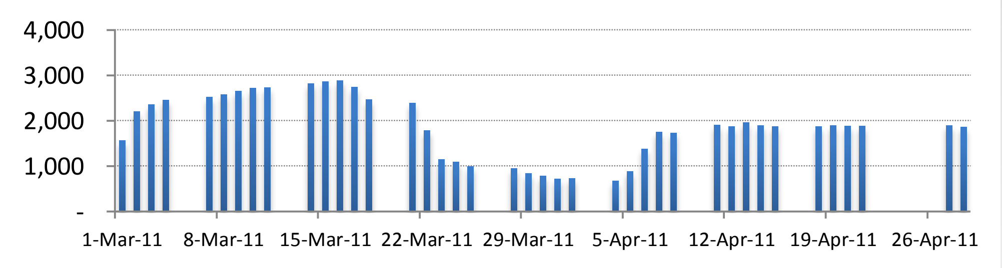
* This Target Mineralisation estimate is conceptual in nature as there has been insufficient exploration to define a mineral resource under JORC Code guidelines and it is uncertain whether further exploration will result in the determination of a mineral resource. This conceptual target may or may not be outlined with future work, either in whole or in part.

Capital Structure

Share Price History – AUD (01 Mar to 28 Apr 2011)



Trading Volume History – 000's (01 Mar to 28 Apr 2011)



Source: Australian Securities Exchange

Capital Structure*	
Total Shares on Issue	106,307,732
Total Options on Issue**	30,100,000
Performance Shares	5,000,000
Share Price - 28 Apr 2011	A$0.33
Market Capitalisation	A$34.67m
Debt	Nil
Cash Balance - 31 Mar 2011	A$4.3m
Enterprise Value	A$30.37m

Top 5 Shareholders*	
Polo Resources Ltd	12.5%
Varuna Pty Ltd	9.73%
CS Fourth Nominees	4.76%
Cityside Investments	3.02%
EZR Systems	3.02%

* As at 28 April 2011
** Excludes contingent performance options and rights

Investment Case

Becoming a Player in Mozambique Coal

WHY INVEST?	INVESTMENT RATIONALE
High Potential Licenses	MOZ holds 70% of two high value licenses with 3.10 - 3.87 Bt Target Mineralisation*
Exposure to Mozambique	Only 2nd ASX listed company focused on Mozambique coal after RIV
Stable Political Environment	Mozambique is a stable multiparty democracy with a strong focus on resources sector development
Premium Coal in Basin	Hard coking coal identified in nearby RIV licenses of equal quality to Bowen Basin in Australia
Strong Expected Demand	Annual global coal demand forecast at 3.5Bt by 2030
Large Discoveries in Basin	Over 18 billion tonnes of coal identified in Zambeze Coal Basin
Existing Infrastructure	Two rail-to-port options from 570-800 km
Drilling programme commenced in May	Drilling contract executed, drilling approvals granted, rig mobilised and team in place

Source: Company websites and publications, SRK – May 2010, Peabody, JPMorgan Cazenove Equity Research

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Mozambique
A Fast Growing Success Story in Africa

Mozambique

- One of Africa's fastest growing economies, with GDP growth at 8.3% in 2010 at 4.5% in 2009
- Stable multi-party constitutional democracy
- President was re-elected in October 2009, winning 75% of popular vote after successful 5 year term
- Portuguese remains the official language
- Excellent relationship and strong commercial links with South Africa, its main trading partner
- High inflows of Foreign Direct Investment, particularly from China, India and Brazil – including significant infrastructure and resources projects

Source: Central Intelligence Agency Factbook, US Department of State, World Bank

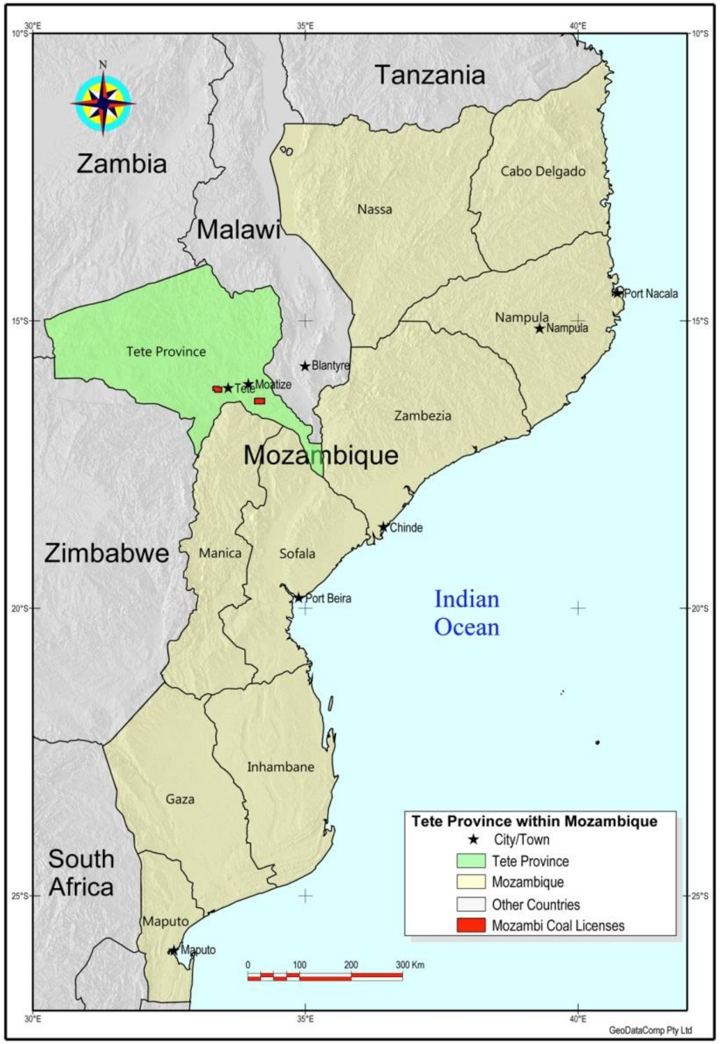

Figure 2: Location Map of Mozambique

Zambeze Coal Basin

One of the World's Largest Undeveloped Coal Basins

Riversdale Mining(ASX:RIV)

- 13 billion tonnes of coal identified
- Market capitalisation: $4.035bn @ A$16.50
- 100% acquisition offer by Rio Tinto

- **ZAMBEZE project:**
  — 9.0 billion tonnes of coal identified
  — 22 coal seams identified over 14 km length
  — MoU with Wuhan Iron & Steel to acquire 40% of project for US$800m
- **BENGA project:**
  — 4.0 billion tonnes of coal identified
  — Mining contract granted by Mozambique government for a 20MT/year operation
  — First production expected in H2 2011
  — TATA acquired 35% of project for US$100m

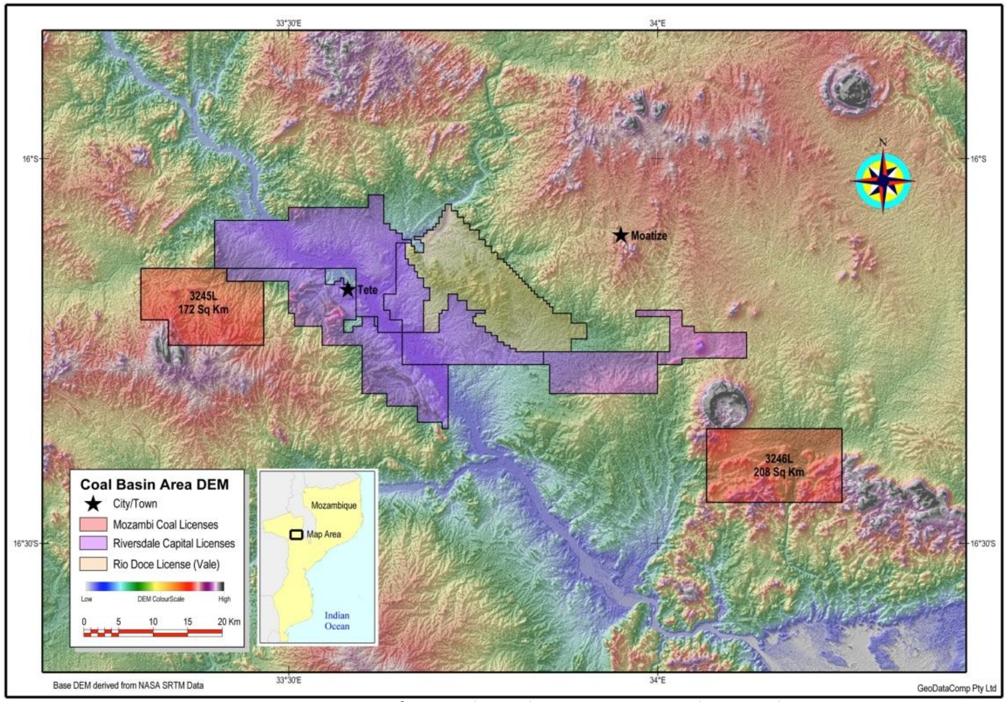

Figure 3: Location Map of Mozambi Coal Tenements in Zambeze Coal Basin

Other significant projects

Ncondezi Coal (AIM:NCCI):
- 1.8 billion tonne JORC resource

ENRC:
- 1.0bn tonne JORC resource

Jindal:
- 1.0bn tonne JORC resource

VALE (NYSE/BOVESPA:VALE)

- **MOATIZE project:**
  — 1.4bn resource
  — First production expected in H2 2011
  — Capacity for 11Mtpa production, 8.5Mpta coking, 2.5Mpta thermal

Source: Company websites and publications, SRK – May 2010, RBC Capital Markets

Projects Overview

The Projects

- The Company holds the rights to 70% of two high value mineral exploration licences in the Zambeze Coal Basin in the Tete Province of Mozambique:
  - 3245L - “Tete West”
  - 3246L - “Muturara”
- The licenses have a Target Mineralisation of 3.10 – 3.87 billion tonnes*
- The licences are situated near the city of Tete in Mozambique
- Both licences cover target Karoo sediments that hosts most of the coal reserves within the Zambeze Basin (Productive Series)

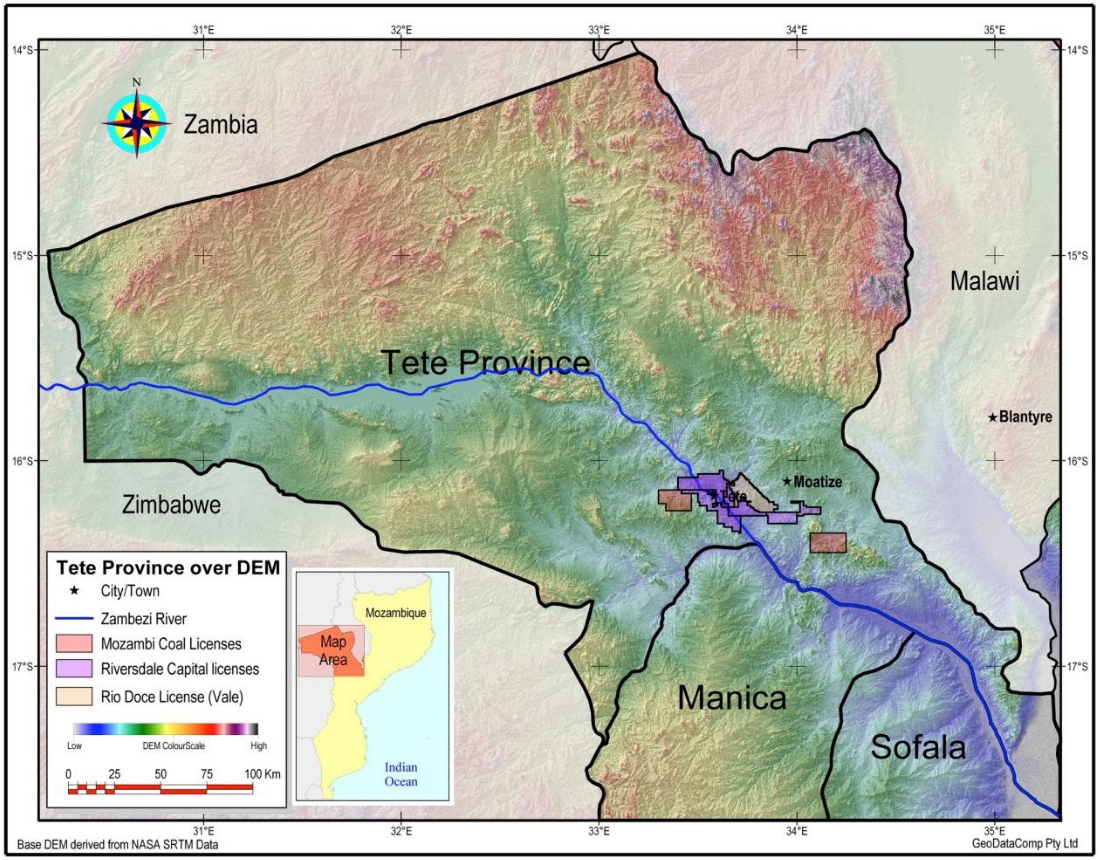

Figure 4: Location Map of Tete Province, Mozambique

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License 3245L – Tete West

Location

- 12km west of Tete, and immediately South West of Riversdale Mining Ltd licence 946L (“Zambeze” project)

Coal Potential

- Ground verification confirms potential for 3km^2 of Lower Karoo

Local Geology

- Lower Karoo is represented by the Matinde Formation occurring to the North of the licence, striking West-North-West to East-South-East with dips ranging from 12-30 ^{o} to the South West
- Large outcrops of coarse grained white sandstone and inter-bedded carbonaceous mudstone outcrop on the banks of the Atinde River to the North of licence
- Overlying the Matinde Formation are rocks of the lower portions of the Upper Karoo series

<u>TARGET MINERALISATION: 216 – 270 Mt*</u>

The 3km^2 area could be underlain by Productive Series coal bearing strata with potential to host 1.8Mt per km^2 per 1m thickness of coal. This Target Mineralisation is represented if the main lower 40-50m thickness of coal measures is present.

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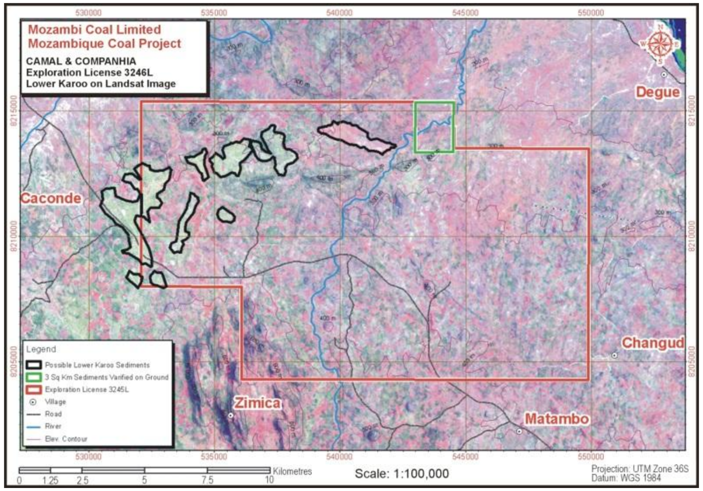

Figure 5: Landsat Image of License 3245L

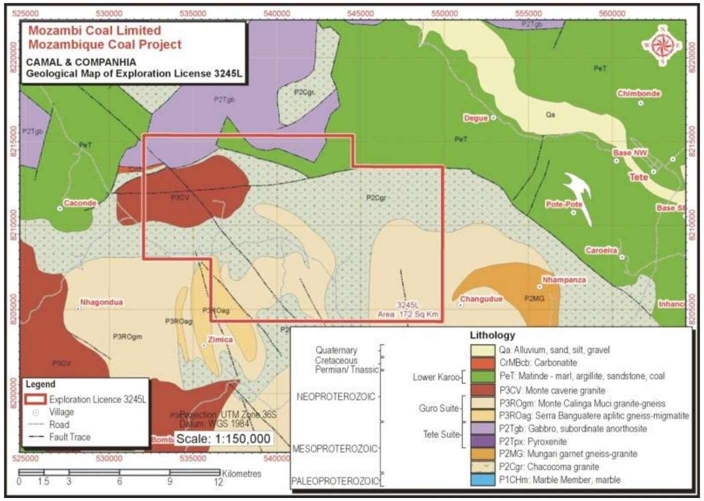

Figure 6: Geological Map of 3245L

License 3246L – Muturara

Location

- 45km South East of the Moatize Coal Mining Camp (Vale). The refurbished Moatize-Beira railway line passes 12km to the East

Coal Potential

- $40km^2$ of Upper Karoo formation sediments and volcanics that potentially overlie the Matinde Formation and Productive Coal Series of the Lower Karoo

Local Geology

- Measured dips near the railway line and dips on the road approaching the northern boundary indicate that coal measures may extend to as deep as 1,000 metres beneath the surface
- The thickness of these units is unknown. Field observations indicated a horizontal to very gentle south-westerly dip of massive outcropping coarse grained sandstone. The depth of the Productive Coal Series is estimated to be approximately 400-600m

TARGET MINERALISATION: 2.88 – 3.60 Bt*

The $40km^2$ area could be underlain by Productive Series coal bearing strata with potential to host 1.8Mt per km^2 per 1m thickness of coal. The Target Mineralisation is represented if the main lower 40-50m thickness of coal measures is present.

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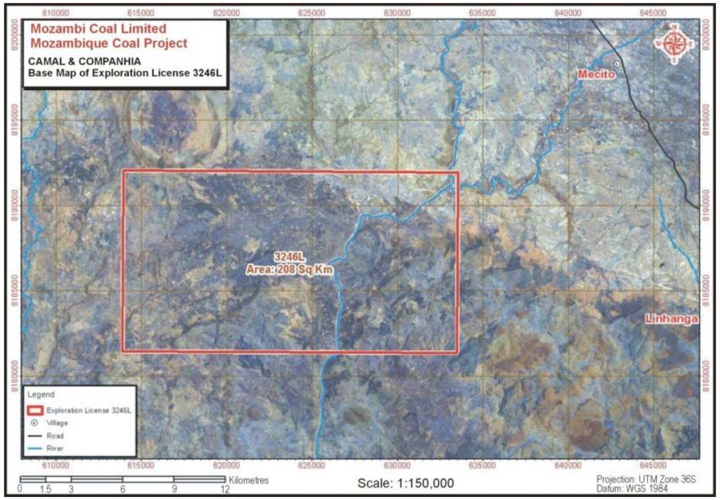

Figure 7: Landsat Image of License 3246L

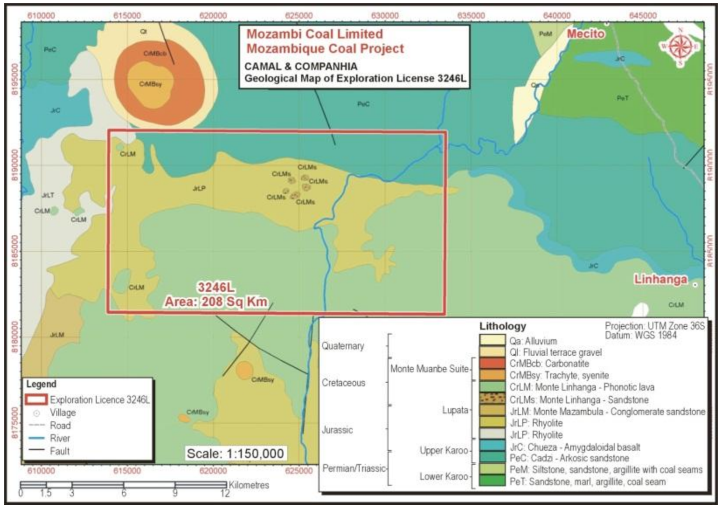

Figure 8: Geological Map of 3246L

Exploration Programme

Project 1: 3245L – Tete West

- 3245L is the first target for drilling
- **Area:** Focus on 3km^2 in the North East corner
- **Start date:** May 2011
- **Contractor:** Drilling contract executed with Aquaterra, the Mozambican subsidiary of Geosearch Inc (South Africa), Africa's largest exploration drilling company and part of the Sentula Mining group of companies
- **Permits:** Environmental approval granted by Department of the Environment for drilling
- **Programme:** 2000m HQ diamond core drilling programme comprising 5 drill holes
- **Time Frame:** Completion by late 3Q or early 4Q

Project 2: 3246L – Muturara

- **Area:** Focus on 40km^2 in north of license
- **Start date:** Expected late 3Q or early 4Q, depending on weather conditions
- **Programme:** 1000m HQ diamond core drilling programme comprising 1-2 drill holes before year end pending weather conditions. Continuation of drilling on 3246L in 2012

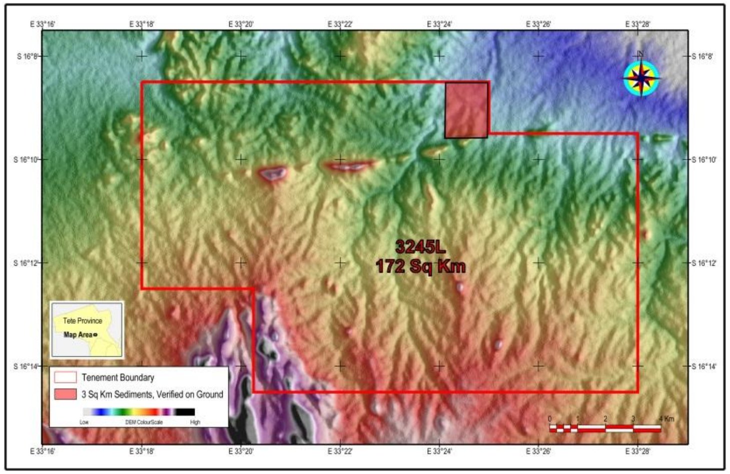

Figure 9: Target Area for Initial Drill Programme on License 3245L


Image: Drilling Contract Signed with Agua Terra Lda

Exploration Timetable

2011 Exploration Timetable

Activity	Particulars		Quarter II			Quarter III			Quarter IV		
		Mar'11	Apr'11	May'11	June'11	Jul'11	Aug'11	Sept'11	Oct'11	Nov'11	Dec'11
3245L											
Approvals	Environmental, drilling permit										
Preparatory work	Ground and road preparation, meeting with local tribes										
Geological Mapping											
Core Drilling	2000m HQ core drilling - single shift										
CR logging & Testing											
Geophysical logging											
Geological Report											
3246L											
Approvals	Environmental, drilling permit										
Preparatory work	Ground and road preparation, meeting with local tribes										
Geological Mapping											
Core Drilling	1000m HQ core drilling - single shift										
CR logging & Testing											
Geophysical logging											

Infrastructure
Three Options for Transportation to Seaborne Markets

Option 1: Sena Rail to Port of Beira

- 570km railway line with capacity of 5 Mt
- Recent upgrade co-funded by World Bank
- New coal terminal with 20Mtpa capacity by 2014/15 under investigation
- Port unable to handle Panamax vessels

Option 2: Nacala Rail to Port of Nacala

- 800km by rail with 1Mtpa current capacity
- Connects Blantyre (Malawi) to Port. Rail connection to Moatize under investigation
- US$1.6bn upgrade to rail and port announced by Vale & govt in Nov 2009
- Upgrade to 20Mtpa coal capacity
- Further potential capacity to +40Mtpa
- Port capable of handling Panamax vessels

Option 3: River Barge to Chinde

- 525km from Tete area to Chinde
- Feasibility study by Riversdale with results in 2H 2011
- Will require trans-shipment facility at sea
- Large capacity potential to +20Mtpa

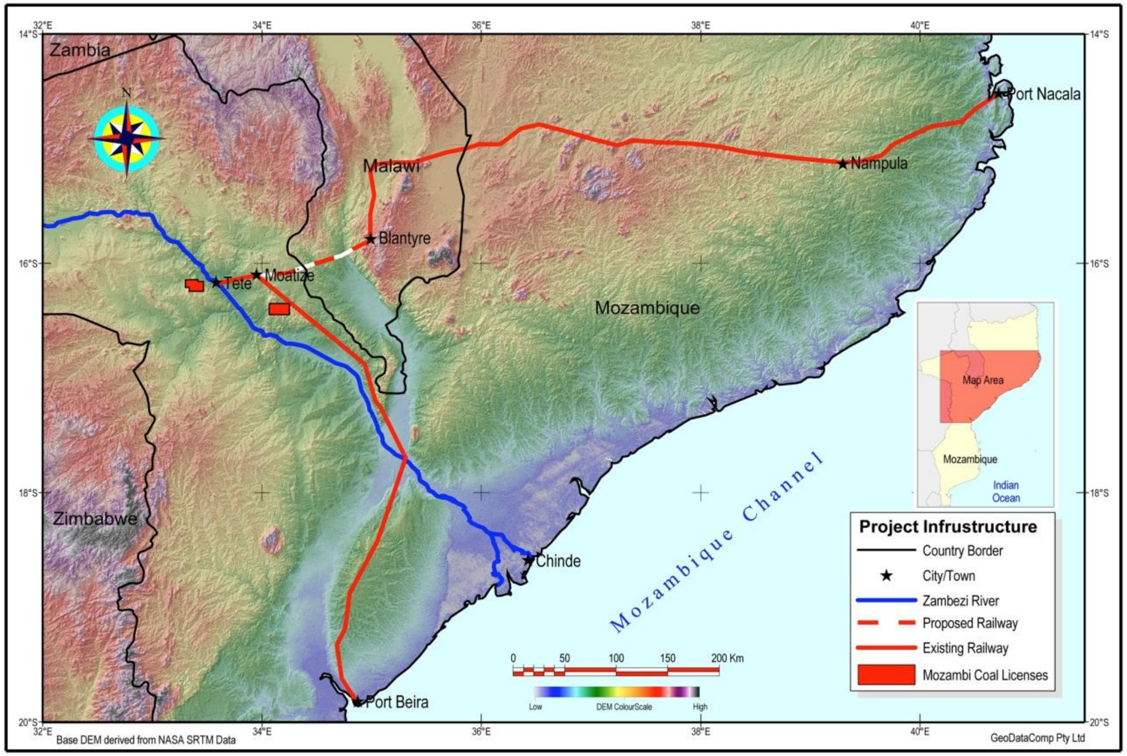

Figure 10: Infrastructure Map of Northern Mozambique

Board & Management
Focused & Experienced Team

Michael Griffiths – Non-Executive Chairman

Mike is an experienced geologist and senior company executive with over 25 years in the mineral exploration and energy sectors in Africa and Australia. He is currently an Executive Director of ASX-listed African gold mining company Chalice Gold (ASX:CHN) and a Director of TSX-listed African gold exploration company Currie Rose Resources (TSX:CUI). He has overseen the discovery and exploration of significant gold deposits in Tanzania, Eritrea and the Northern Territory. Prior to moving into the minerals sector he spent the first 2 years of his career as a coal geologist in central Queensland. Mike holds a Bachelor of Science (Geology) from Macquarie University in Sydney and is a member of AusIMM.

Shiv Madan – Managing Director

Shiv has a 14 year background in investment banking and strategy consulting with a focus on commodities and financial markets. Most recently he was head base metals trader at Dresdner Kleinwort in London and previously worked with Lehman Brothers and Daiwa Securities in senior trading and capital raising roles. As Director of Dugal Pty Ltd (100% acquired by Mozambi Coal Ltd), Shiv was responsible for acquiring the Company's exploration licenses in Mozambique, where he has significant on-the-ground experience and high level relationships. Shiv holds an MBA from the Australian Graduate School of Management and a Bachelor of Commerce from Curtin University.

Alex Neuling – Executive Director & Company Secretary

Alex is a Chartered Accountant and Chartered Secretary with over 10 years corporate and financial experience. This experience includes 5 years as director, chief financial officer and/or secretary of various ASX-listed companies in the energy, mineral exploration, biotechnology and mining services sectors. He previously worked at Deloitte in London and Perth. Alex holds an Honours degree in Chemistry from the University of Leeds in the United Kingdom.

Robert Hemphill – Non-Executive Director

Robert has more than 13 years experience in financial accounting, taxation and business advisory services both domestically and internationally. He is a director/company secretary of a number of public and private companies. Robert completed a Bachelor of Business at Charles Sturt University and is a member of the Institute of Chartered Accountants in Australia.

Chala Kondragunta – Exploration Manager, Mozambique

Chala is an experienced geologist with an 18 year background in the exploration of coal, industrial minerals and metals. He has extensive experience in Mozambique – he was previously Deputy General Manager for Essar Minerals based in Mozambique, where he managed their coal exploration programme in the Tete province. He also worked with Essar in Indonesia in a similar capacity. Previously, he worked in Russia, Armenia, Saudi Arabia and India for a number of companies including Vedanta Resources. Chala holds a Masters of Science in Geology from AMU in India and a Bachelor of Science from Nagarjuna University, India.

Summary

- **Unique opportunity to participate in underexplored and fast growing world class coal fields**
- Potentially large coal Target Mineralisation
- **Attractive valuation entry point**
- Focused management team creating shareholder value through aggressive exploration and acquisition of additional coal licences
- **Drilling programme commenced - contract executed with drilling company and drill rig mobilised on site**

Image: Local Village and Baobab Tree in the South of License 3245L

Important Notices

This document has been prepared by Mozambi Coal Limited (“MOZ”) in connection with providing an overview to interested analysts and investors.

This presentation is being provided for the sole purpose of providing preliminary background financial and other information to enable recipients to review the business activities of MOZ. This presentation is thus by its nature limited in scope and is not intended to provide all available information regarding MOZ. This presentation is not intended as an offer, invitation, solicitation, or recommendation with respect to the purchase or sale of any securities. This presentation should not be relied upon as a representation of any matter that a potential investor should consider in evaluating MOZ. Prospective investors should make their own independent evaluation of an investment in MOZ.

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Under Mozambican mining law, the licences confer on [the holder] an exclusive right to explore for copper, zinc and lead in the case of Licence 3245L, and base metals in the case of Licence 3246L. If in the course of such exploration [the holder] identifies an associated mineral, including coal, and assuming all other conditions of the licences have been met, the holder is entitled exclusively to apply to further explore and eventually to mine the coal identified notwithstanding that the licences were not originally granted for coal.

All reference to dollars, cents or $ in this presentation are to Australian currency, unless otherwise stated.

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The information in this report that relates to exploration target, tonnages and grades is based on data compiled by Mr Brian J. Varndell B.Sc.(Spec Hons Geol), FAusIMM, a geologist with more than 35 years experience in mineral exploration and mining and more than 25 years experience in mineral asset valuation. Mr Varndell has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Varndell consents to the inclusion in this document of the matters based on his information in the form and contexts in which they appear.

Cover Image: Outcropping Lower Karoo discovered to the north of 3245L

Image: Samora Machel Bridge crossing the Zambeze River from the City of Tete