



ASX ANNOUNCEMENT

By e-lodgement

31 October 2014

QUARTERLY REPORT – QUARTER ENDED 30 SEPTEMBER 2014

Mozambi Coal Limited (ASX: MOZ, **Company** or **MOZ**) provides the following update on activities undertaken during and since the quarter ended 30 September 2014:

OPERATIONS

Activities in the September quarter remained primarily focussed on the Company's Bowen River project (EPC 1768). While no fieldwork was conducted during the quarter, land access arrangements are continuing to be progressed. The Company has also worked together with consultants to identify a potential reduced-scale phase 1 drilling program which could be conducted on existing road reserve areas, without any requirement for separate landholder compensation arrangements with pastoral leaseholders and is evaluating its options in this respect.

In light of challenging industry conditions and other factors, the Company has applied for and been granted a licence variation in respect of its expenditure and relinquishment obligations for EPC 1768 from the department of Natural Resources and Mines in Queensland (**DNR**M). Following the approval of the variation, MOZ considers that expenditure obligations for the three-year licence period ending 31 December 2014 have now been met and also that no sub-blocks will have to be relinquished on that date. The MOZ Board welcomes the efficient and realistic response of DNR

MOZ also continues to evaluate other potential new investment opportunities both within Australia and overseas.

CORPORATE & FINANCE

As at 30 June 2014, the Company and its subsidiaries had a cash balance of \$417k. An ASX Appendix 5B for the quarter ended 30 September 2014 has been lodged together with this report.

The Company's 2014 Annual General Meeting will be held on 27 November 2014 in Perth and a notice of meeting has been mailed to all shareholders. Business to be considered includes a resolution to change the Company's name to "Mozambi Resources Limited". The Company holds rights to a number of licences which may be prospective for resources other than coal. In addition, industry conditions for coal exploration and production remain challenging at present, and the Directors consider that it may be advantageous in the future for the Company to consider adopting a broader strategy aimed at becoming a diversified resources company with a wider focus on the exploration and exploitation of various resources rather than concentrating solely on coal. The proposed name change would be a more appropriate reflection of the Company's planned activities and direction.



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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Mozambi Coal Limited

ABN

28 106 353 253

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(2)	(2)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(90)	(90)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(92)	(92)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(92)	(92)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(92)	(92)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. *	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(92)	(92)
1.20	Cash at beginning of quarter/year to date	511	511
1.21	Exchange rate adjustments to item 1.20	(2)	(2)
1.22	Cash at end of quarter	417	417

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	86
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of directors' fees plus company secretarial, financial management and other consulting fees for services provided by related entities (including some prior period arrears).

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/a

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/a

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	104
Total	204

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	417	511
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		417	511

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	212,541,987	212,541,987	Various	Fully paid
7.4 Changes during quarter (a) Increases through issues: (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
	475,000	-	\$0.25	02/08/16
	2,200,000	-	\$0.25	30/11/16
	50,000,000	-	\$0.02	31/12/17
	9,000,000	-	\$0.02	31/12/17
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: 
(Director/Company secretary)

Date: 31 October 2014

Print name: Alexander Neuling

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.

Appendix

In accordance with Listing Rule 5.3.3. MOZ provides the following information in relation to its mining tenements.

Mining tenements held at the end of the quarter:

Project	Location	Tenement Number	Status	Beneficial interest
Bowen River	Queensland	EPC 1768	Exploration licence	100%
Carmilla	Queensland	EPC 2098	Exploration licence	100%
EPC 2702	Queensland	EPC 2702	Exploration licence	95% ¹
EPC 2861	Queensland	EPC 2861	Exploration licence	95% ¹

1. Blackall Capital Pty Ltd holds options to acquire these tenements.

Mining tenement interests acquired during the quarter:

Nil.

Mining tenements disposed of during the quarter:

Nil.

Beneficial interests held in farm-in or farm-out agreements at the end of the quarter

Farm-in agreements

The Company owns a 70% interest in Dugal Resources Lda, a Mozambican entity which holds a 100% interest in the following licences:

Licence	Owner	Location	Commodities	Area (ha)
3245L	Camal & Companhia Lda	Tete province	Copper, Zinc, Lead	18,240
3246L	Camal & Companhia Lda	Tete province	Base Metals	20,240

Farm-out agreements

Nil

Beneficial interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Nil



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